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Tripartite Environmental Talks Completed

PM1612142388 Wroclaw GAZETA ROBOTNICZA in Polish 7 Dec 88 p 1

[Interview with Waclaw Kulczynski, under secretary of state at the Ministry of Environmental Protection and Natural Resources, by Sylwester Bajor; date and place not given]

[Text] [Bajor] You have just returned from Berlin, where the latest round of the trilateral talks on the protection of natural environment in East German, Czechoslovak, and Polish border regions took place. What was the outcome of the meeting?

[Kulczynski] We can already say we have made definite progress. In the first place, we approved the text of an agreement on trilateral cooperation in the reduction of the discharge of harmful dusts and gases—in particular sulfur dioxide and nitric oxides—into the atmosphere, and in the protection of border rivers and lakes. Although the agreement refers specifically to border regions, it also provides for the possibility of cooperation on a wider scale.

In a month's time we will meet with the East German and Czechoslovak representatives again to discuss several particular aspects of the agreement in more detail. We expect to sign the trilateral agreement in the first quarter of 1989.

[Bajor] What will be the extent of the cooperation?

[Kulczynski] It will be very broad. It envisages a full range of undertakings which would guarantee a reduction of the environmentally harmful effects of the activity of industrial enterprises and power plants in the border regions of the three countries. These will include scientific and research collaboration, exchange of technologies, joint acquisition of production licenses, cooperation in the sphere of production, regular exchange of information on the results of pollution tests and measurements and elimination of the sources of exceptional hazard, and, finally, the creation of joint companies.

[Bajor] What measures do you propose to implement in the immediate future?

[Kulczynski] Within a month we will draw up a joint program of undertakings to cover the next 2 years. We will prepare a list of facilities earmarked for investment operations, designed to reduce the volume of harmful discharges. Our next urgent task will be to create a monitoring network. To begin with, our side will commission a modern control and monitoring station near Swieradow-Zdroj. The station will be built in cooperation with Dutch partners, on the basis of a Polish-Dutch agreement.

We will organize cooperation between manufacturers of apparatuses and equipment for the protection of the natural environment, as well as control and monitoring apparatus. We will also specify the extent of joint work on new technologies of environmental protection. We are well aware of the threat to the environment. Degradation of the natural environment in the "Sudety Triangle" continues to spread. Therefore we must concentrate first and foremost on operations which can check that process as soon as possible.

[Bajor] The most urgent requirement in the "Sudety Triangle" is to reduce the discharge of sulfur dioxide into the atmosphere. At present some 30 facilities for the removal of sulfur from the so-called waste gases are being built in Poland. However, only one such facility is being constructed for our local power plant complex in the Sudety Mountains. This does not seem enough to meet the regional requirements and fulfill the obligations which we will face as a result of the trilateral agreement.

[Kulczynski] The facilities for desulfurization of waste gases using the so-called dry process that are presently being installed in Turoszow are just the first stage of the planned operations. In the program for the reduction of the discharge of sulfur dioxide into the atmosphere adopted by the government several months ago, particular attention is given to the Sudety region. Adequate financial resources have been allocated for this purpose. Enterprises with a good record and sound experience in the construction of chemical industry facilities in dozens of countries around the world are interested in the realization of environmental protection investment projects for the power industry. Public opinion will be informed regularly about all the future operations. The first bulletins will be out in a few weeks' time.

[Bajor] Thank you for the interview.

CEMA Information Systems Discussed in Prague

AU2112172988 Prague RUDE PRAVO in Czech 14 Dec 88 p 2

[CTK report in the "International Relations" column]

[Text] Representatives of all CEMA member states are attending the 37th session of the Committee of Plenipotentiary Representatives of the International Center for Scientific and Technical Information, which has its seat in Moscow. The meeting began in Bratislava on Tuesday [13 December]. The session will assess the activity of the international center, which has for 20 years been positively influencing the development of CEMA's international scientific and technical information system, as well as the development of the information systems of the member states.

U.S. 'Blackmail' Against Libya Criticized

*AU2812131588 Tirana ATA in English
0750 GMT 28 Dec 88*

["Threat—Cardinal Element of the U.S. Foreign Policy"—ATA headline]

[Text] Tirana, December 28 (ATA)— In a recent interview, the U.S. President Reagan stated that the U.S.A. and its West European allies are examining a possible military action against Libya, the newspaper ZERI I POPULLIT writes in an article by Dr Paskal Milo.

This statement of Reagan is not the first of its kind and moreover, in the case of Libya. The threats and blackmail stem from the very nature of imperialism and are concrete means through which the regional and global goals and targets of the U.S. superpower are realised in practice. The threats to Nicaragua and Panama are a clear testimony to this policy.

The White House's blackmail comes at a time when much is spoken on the creation of a detente climate of international proportions. The aim is clear. For Washington and Moscow no independent policy can and should exist out of the context of the Soviet-U.S. relations, of their regional or global interests and aims.

The threat and force as component parts of the U.S. foreign policy are used in all the continents and in all cases not only against the ideological and political opponents but also against allies. In the case of the latter, the threat might not have those savage forms in appearance. But in essence, it remains the same, because everywhere it is applied, it is a means used to defend the interests of the U.S. capital, which stand above all the interests of the alliances and allies of the U.S.A., the article concludes.

Trade Protocol Signed With PRC

*AU2412193088 Tirana Domestic Service in Albanian
1900 GMT 24 Dec 88*

[Text] The protocol for the exchange of goods and payments for 1989 between the Government of the People's Socialist Republic of Albania and the Government of the PRC was signed in Tirana today.

For the Albanian side, the protocol was signed by Kostandin Hoxha, deputy minister of foreign trade, and for the Chinese side by Wang Pinqing, deputy minister of foreign economic relations and trade.

Bashkim Dino, director of a directorate at the Ministry of Foreign Affairs, was also present at the signing ceremony.

Under the protocol, the People's Socialist Republic of Albania will export chrome ore and concentrate, copper wire, bitumen, oil, ferrochrome, and other items to the PRC, and will import cotton, coking coal, rice, silicates, various kinds of machinery and equipment, and other items

Shane Korbeci, minister of foreign trade, received the government trade delegation of the PRC. Fan Chengzuo, ambassador extraordinary and plenipotentiary of the PRC in Tirana, was also present at this reception and at the signing ceremony.

Alia Thanks Ceausescu for Greetings

*AU2012153788 Bucharest SCINTEIA in Romanian
16 Dec 88 p 5*

[Cable from Ramiz Alia, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, and from Adil Carcani, chairman of the Council of Ministers of Albania, to Romanian President Nicolae Ceausescu and to Prime Minister Constantin Dascalescu, expressing thanks for National Day greetings]

[Text] To Nicolae Ceausescu, president of the SR of Romania and to Constantin Dascalescu, prime minister of the Government of the SR of Romania

We express our thanks for the wishes and greetings you conveyed to us on the anniversary of our country's liberation and of the victory of the people's revolution in Albania, and we take this opportunity to convey wishes for prosperity to the friendly Romanian people and for the continuous development of the traditional relations between our peoples.

Ramiz Alia, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania

Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania

Balkan Cooperation Committee Prepares for Meeting

*AU2112134488 Tirana ATA in English
1034 GMT 21 Dec 88*

[Text] Tirana, December 21 (ATA)—The Albanian Committee for Balkan Understanding and Cooperation convened, presided over by Professor Dhimiter Shuteriqi on December 20, in the capital. After dwelling on the activity conducted so far, the committee examined and approved the plan of the activities for 1989, where the main place is taken by the preparations for the meeting of the committees for the understanding and cooperation of the Balkan states, to be held in our country.

On this occasion, on December 20 the chairman of this committee granted the following interview to the Albanian Radio-Television:

Question: Today, the meeting of the Albanian Committee for Balkan Understanding and Cooperation to examine and approve the plan of activities for 1989 was held. May you tell us something on the objectives of the work of the committee?

Reply: The Albanian Committee for Balkan Understanding and Cooperation, as is reported, resumed its activity in accordance with the recommendations of the meeting of the foreign ministers of the Balkan states in Belgrade. The main aim of the work of our committee is that through bilateral and multilateral efforts with the committees or similar organizations of the other Balkan states it helps in the creation of the most possible favourable atmosphere of understanding and cooperation between the countries and peoples of our region.

Naturally, the main activity of the Albanian Committee for Balkan Understanding and Cooperation will be the meeting of the respective committees and organisations of the Balkan countries, to be held in Tirana in the second half of the coming year.

The importance of this meeting is becoming ever more evident for the fact that it will be the first of this kind following the meeting of the ministers of foreign affairs and as such it will strive to build up a platform of work in service of the idea that the Balkans belongs to the peoples of the Balkans and as such to become a region of understanding and cooperation, peace and stability. We invite all the respective committees and organizations of the Balkan countries to contribute that the coming meeting be crowned with success and that this positive process be further deepened.

One of the main targets in the timetable of our work is the establishment of contacts with the analogue committees or organizations of the Balkan states to exchange opinions and experience with our colleagues on problems of interest, to exchange journalists, personalities of science, culture, art, etc.

Question: As it is reported, the meeting of the vice ministers of foreign affairs of the Balkan states will be held in Tirana on January 18-20, 1989. What can you say with regard to this?

Reply: The Albanian Committee for Balkan Understanding and Cooperation hails the fact that our country will be organizer and host of the meeting of the vice ministers of foreign affairs. This meeting has aroused a special interest in the public opinion both in Albania and in the other Balkan countries.

There is no doubt it will make a fresh contribution to further promote the process of undertanding and cooperation in our region. Socialist Albania is interested in and makes efforts that in the Balkans exists a sound atmosphere that will favour the overcoming of the existing difficulties and obstacles and will stimulate the spirit of confidence and friendship among our peoples.

The Albanian Committee on Balkan Understanding and Cooperation is of the opinion that the development and strengthening of the relations of cooperation among the Balkan countries is a demand of the time and more than a necessity, it is an indispensability. Our committee wishes that the meeting of the vice ministers of foreign affairs be conducted in a friendly and constructive spirit, so that it undertakes valuable actions responding to the fundamental interests of the peoples of our region.

Planning, Budget Commission Analyzes Plans

AU2012200688 Tirana Domestic Service in Albanian 1900 GMT 20 Dec 88

[Text] The Planning and Budget Commission of the People's Assembly has met under the chairmanship of its chairman, Luan Muhameti, in order to analyze achievements in fulfilling the tasks of the plan and budget for 1988, and to examine the figures for the plan and budget for 1989.

Comrade Rita Marko, AWP Central Committee Politburo member and deputy chairman of the Presidium of the People's Assembly, also took part in the meeting. Petro Dode, chairman of the People's Assembly, also spoke.

Niko Gjyzari, chairman of the State Planning Commission; Andrea Nako, minister of finance; and Kamber Myftari, general director of the State Bank, also presented a range of comments at the meeting. They focused mainly on the specific measures that have been and are being taken to fulfill the tasks of the plan and budget for 1989 on every front. The deputies assessed this year's achievements, and drew attention to shortcomings observed in the work of ministries, executive committees of people's councils in the districts, and economic organizations at the base, especially failures to totally fulfill the plan and budget. They stressed the need to further tighten discipline and to make the control of production and distribution more effective. They drew attention to the need for better management and direction, particularly in certain key sectors of the economy, such as oil, chrome, and agricultural and livestock production, and the need to meet export targets. They drew attention to the specific methods that should be employed to reduce costs, increase labor productivity, and generally tighten the savings regimen.

The commission also studied the draft laws that will be presented for the approval of the People's Assembly, analyzed the work of [word indistinct], and approved its own tasks for 1989.

Economic Progress Report for 11-17 Dec

AU1712194288 [Editorial Report] Tirana Domestic Service in Albanian in its transmissions between 11-17 December carries the following economic performance reports (sourceline of each report given in parentheses):

Durres District: Fifty-three collectives report having fulfilled or overfulfilled the plan up to 15 December. (1430 GMT 16 December)

Gjirokaster District: The general industrial production plan up to 10 December has been overfulfilled by 2 percent. (1900 GMT 15 December)

Kolonje District: The overall industrial production plan up to 10 December has been overfulfilled by 1.7 percent. (1900 GMT 11 December)

Lushnje District: The industrial production plan up to 10 December has been fulfilled. (1900 GMT 12 December)

Tepelene District: The overall industrial production plan up to 15 December has been overfulfilled by 2 percent. (1900 GMT 17 December)

Economic Progress Report for 18-24 Dec

AU2412193288 [Editorial Report] Tirana Domestic Service in Albanian in its transmissions between 18-24 December carries the following economic performance reports (sourceline of each report given in parentheses):

Durres District has completed its general industrial production plan up to 15 December. (1900 GMT 19 December)

Fier District has completed its general industrial production plan up to 15 December, (1900 GMT 18 December) and 26 collectives have fulfilled their annual plan. (1900 GMT 24 December)

Lushnje District: Twenty collectives have completed their general industrial production plan up to 15 December. (1900 GMT 19 December)

Leaders' Public Appearances for 10-16 Dec

AU1612175088 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts between 10-16 December reports the following public appearances of Albanian leaders (sourceline of each report given in parentheses):

Foto Cami, Rita Marko, Besnik Bekteshi, AWP CC Politburo members, on 14 December attended the opening of an exhibition on the 75th anniversary of the birth of Gogo Nushi, former AWP CC Politburo member and chairman of the General Council of Albanian Trade Unions (deceased). (1900 GMT 14 December)

Ramiz Alia, AWP CC first secretary and chairman of the Presidium of the People's Assembly; Adil Carcani, AWP CC Politburo member and chairman of the Council of Ministers; Simon Stefani and Rita Marko, AWP CC Politburo members; and Pirro Kondi, AWP CC Politburo candidate member, on 15 December attended a wreath-laying ceremony at the grave of Gogo Nushi on the 75th anniversary of his birth. (1430 GMT 15 December)

Pirro Kondi, AWP CC Politburo candidate member, on 14 December attended a commemorative meeting in Tirana on the 75th anniversary of the birth of Gogo Nushi. (1900 GMT 14 December)

Qirjako Mihali, AWP CC Politburo candidate member, attended a meeting in the city of Fier on 13 December to commemorate the 75th anniversary of the birth of Gogo Nushi. (1900 GMT 13 December)

Manush Myftiu, AWP CC Politburo member and deputy chairman of the Council of Ministers, on 11 December attended a rally in the village of Vuno, Vlore District, on the 75th anniversary of the birth of Gogo Nushi. (1900 GMT 11 December)

Leaders' Public Appearances for 17-23 Dec

AU24162388 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts between 17-23 December reported the following public appearances of Albanian leaders (sourceline of each report given in parentheses):

Ramiz Alia, AWP Central Committee first secretary, received the letters of credentials of the Cuban, Libyan, Japanese, and Bangladeshi ambassadors in Tirana on 19 December (1900 GMT 19 December), and also received Andrey Lukanov, Bulgarian minister for foreign economic relations, in Tirana on 22 December. (1900 GMT 22 December)

Adil Carcani, AWP Central Committee Politburo member and chairman of the Council of Ministers, received Mehmet Yazar, Turkish minister of state, in Tirana on 20 December (1900 GMT 20 December), and also received Andrey Lukanov. Bulgarian minister for foreign economic relations, in Tirana on 22 December. (1900 GMT 22 December)

Rita Marko and Pali Miska, AWP Central Committee Politburo members, attended a rally marking the 45th anniversary of the Fourth Partisan Assault Brigade in Korce on 18 December (1900 GMT 18 December); Pali Miska also attended a rally in the village of Bilisht, Korce District, on 22 December, and unveiled a commemorative plaque at an agricultural cooperative. (1900 GMT 22 December)

Foto Cami, AWP Central Committee Politburo member, attended a session of the People's Assembly Foreign Policy Commission in Tirana on 21 December. (1900 GMT 21 December)

Manush Myftiu, AWP Central Committee Politburo member, attended an Albanian Union of Working Youth Central Committee plenum in Tirana on 20 December. (1900 GMT 20 December)

Reis Malile, minister for foreign affairs, received the Cuban and Libyan ambassadors in connection with their forthcoming presentations of credentials, in Tirana on 17 December. (1900 GMT 17 December)

Law on 1989 State Budget Outlined

AU2312192588 Sofia RABOTNICHESKO DELO in Bulgarian 17 Dec 88 pp 1, 3

["Law on the 1989 State Budget of the People's Republic of Bulgaria" adopted by the ninth session of the National Assembly at its third meeting in Sofia on 16 December 1988]

[Text] I. Section I

State Budget of the People's Republic of Bulgaria for 1989

Article 1. The 1989 State Budget of the People's Republic of Bulgaria is adopted as follows:

1. With respect to revenues, an amount of 24,287.8 million leva is approved.

2. With respect to expenditures, an amount of 24,286.3 million leva, including a reserve for the additionally submitted proposals by National Assembly deputies amounting to 50.0 million leva, is approved.

3. Revenues shall exceed expenditures by a total amount of 1.5 million leva.

Article 2. State budget revenues stemming from profits and other receipts from the national economy, amounting to 22,365.2 million leva, shall be set.

Article 3. State budget expenditures for the following aims shall be established as follows:

1. For national economic development—11,547.5 million leva.

2. For the development of science, culture, education, health care, and social security—8,550.2 million leva under the state social security budget and the budget of the Mutual Insurance of Labor Production Cooperative Members.

3. For the support of state organs, state administration, the law courts, prosecutors' offices, oblast and municipal people's councils—473.4 million leva.

Article 4. The 1989 budget of the Republic, including the interrelationships with the budgets of oblast and municipal people's councils, the budget of the state social security, and the budget of the Mutual Insurance of Labor Production Cooperative Members, is adopted as follows:

1. With respect to revenues, an amount of 16,256.0 million leva is approved.

2. With respect to expenditures, an amount of 16,256.0 million leva is approved.

Article 5 (1) A surplus of 695.1 million leva of the subsidies from the Republic's budget for local budgets over the contributions is approved.

(2) The Ministry of Economy and Planning shall set aside an amount for subsidies and contributions to the republican budget by ministries, other departments, oblast, and municipal people's councils.

II. Section II

Report on the Implementation of the State Budget of the People's Republic of Bulgaria in 1987

Article 6 (1) The report on the implementation of the 1987 state budget is endorsed as follows:

1. With respect to revenues, a total amounting to 22,679 million leva, including contributions from profits and other receipts from the national economy amounting to 20,958.4 million leva, is approved.

2. With respect to expenditures, a total amounting to 22,669.6 million leva is approved, including:

a) expenditures for the national economy amounting to 11,410.6 million leva;

b) expenditures for education, science, culture, health care, and social security amounting to 7,735.1 million leva, including a total of 3,728.6 million leva for the budgets of state social security and of the Mutual Insurance of Labor Production Cooperative Members Council;

c) expenditures to support state government organs, state administration, the law courts, prosecutors' offices, and people's councils amounting to 383.1 million leva.

(2) The report on the implementation of the budget of the Republic for 1987 is endorsed as follows:

1. With respect to revenues, a total amounting to 15,283 million leva is endorsed.

2. With respect to expenditures, a total of 15,283 million leva is endorsed.

3. Surplus of revenues over expenditures.

(3) The reports on the implementation of the collective budgets of the people's councils for 1987, according to okrugs, are endorsed as follows:

Okrugs	Revenue	Expenditures
1. Blagoevgrad	167.1	166.8
2. Burgas	226.9	222.4
3. Varna	208.5	207.2
4. Veliko Turnovo	143.2	141.7
5. Vidin	76.1	75.8
6. Vratsa	110.9	110.1
7. Gabrovo	92.9	91.5
8. Kurdzhali	183.3	182.5
9. Kyustendil	88.7	8.3
10. Lovech	94.9	94.7
11. Mikhaylovgrad	94.1	92.2
12. Pazardzhik	134.5	132.4
13. Pernik	87.8	87.1
14. Pleven	137.3	136.0
15. Plovdiv	303.1	302.0
16. Razgrad	114.2	113.9
17. Ruse	123.1	119.0
18. Silistra	90.2	89.1
19. Sliven	112.3	111.5
20. Smolyan	106.5	106.2
21. Sofia City	841.0	837.9
22. Sofia Okrug	141.0	137.8
23. Stara Zagora	177.2	176.6
24. Tolbukhin	115.5	115.0
25. Turgovishte	96.1	95.9
26. Khaskovo	155.1	154.5
27. Shumen	127.7	127.0
28. Yambol	111.2	110.5
Total:	4,460.4	4,425.6

Additional and Concluding Instructions

Paragraph 1. The Council of Ministers shall distribute the state budget according to ministries, other departments, oblast and municipal people's councils and, if necessary, amend their budgets.

Paragraph 2. The Council of Ministers is entrusted with the implementation of this law.

Paragraph 3. The Council of Ministers shall distribute the additional revenues from the surplus exceeding the revenues envisaged by the law, while priority shall be given to the financing of social measures, including overfulfillment of the housing program, development of the consumer goods production, and the provision of additional services to the population, as well as for the special needs of territorial communities.

The law was adopted by the ninth session of the National Assembly at its third meeting held on 16 December 1988, and is sealed with the state seal.

Stanko Todorov, chairman of the National Assembly of the People's Republic of Bulgaria.

Vessels Under Construction for Norway

AU2612190488 Sofia BTA in English
1808 GMT 26 Dec 88

[Text] Burgas, December 26 (BTA)—Today a contract was signed for the construction of four 12 000-ton ships specialized in carrying oil products and chemicals. They are destined for the marine of Norway. The ships will be highly automated and will be able to carry and discharge simultaneously four types of liquid cargoes. They will be built under the direct supervision of Lloyds, the world-famous insurance company, and will be in complete conformity with the international convention for the safety of life at sea.

Leaders' Public Appearances for 8-23 December

AU2412212988 [Editorial Report] Sofia Domestic Service in Bulgarian in its newcasts, the Sofia press, and Sofia BTA in English during the 9-23 December monitoring period report the following public appearances of Bulgarian leaders (sourceline of each report given in parentheses):

The following leaders spoke on the first day of the BCP Central Committee plenum that opened in Sofia on 13 December: Georgi Atanasov, Petko Danchev, Grisha Filipov, Ivan Panev, and Todor Zhivkov. (Sofia Domestic 1830 GMT 13 Dec 88)

The following leaders spoke in Sofia on 14 December at the BCP Central Committee plenum on its second and last day: Petur Dyulgerov, Petur Mladenov, Andrey Lukanov, Stoyan Ovcharov and Todor Zhivkov. (Sofia Domestic 1830 GMT 14 Dec 88)

The following leaders jointly submitted amendments to the existing taxation law to the National Assembly session in Sofia on 15 December: Petur Dyulgerov and Stoyan Ovcharov. (Sofia RABOTNICHESKO DELO Bulgarian 16 Dec 88 pp 1-4)

The following leaders attended a festive meeting in Sofia on 19 December to mark the 75th anniversary of the Bulgarian Writers Union: Ivan Panev, Georgi Yordanov, Yordan Yotov, and Todor Zhivkov. (Sofia Domestic 1830 GMT 19 Dec 88)

In Sofia on 17 December Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, received Army General Dobri Dzhurov, member of the BCP Central Committee Politburo, and the other defense ministers and Joint Armed Forces chiefs of the Warsaw Pact who attended the meeting of the Warsaw Pact Defense Ministers Committee. (BTA 1611 GMT 17 Dec 88) In Sofia on 19 December Zhivkov received Vasile Barbulescu, secretary of the RCP Central Committee. (Sofia Domestic 1830 GMT 19 Dec 88)

In Sofia on 9 December Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, Ramiro Valdes Menendez, vice president of the Cuban Council of Ministers, (Sofia Domestic 1830 GMT 9 Dec 88) and Nikolay Lemayev, minister of the petroleum-refining and petrochemical industry of the USSR. (Sofia Domestic 1830 GMT 9 Dec 88) In Sofia on 15 December he received Jan Terlow, general secretary of the European Conference of Ministers of Transport, (BTA 1546 GMT 15 Dec 88) and the participants in the second session of the CEMA Permanent Commission on Legal Questions. (BTA 1707 GMT 15 Dec 88) In Sofia on 19 December Atanasov received Vitaliy Khokhlov, a CEMA banking official. (Sofia Domestic 1830 GMT 19 Dec 88) In Sofia on 23 December he received 'Ali Reza Marandi, minister of health of Iran. (BTA 1232 GMT 21 Dec 88)

Milko Balev, Politburo member and secretary of the BCP Central Committee, met in Sofia on 8 December with a delegation from the High School of the Popular Movement for the Liberation of Angola-Labor Party, led by its rector Zeferino Estevao Juliana. (Sofia RABOTNICHESKO DELO Bulgarian 9 Dec 88 p 6) In Sofia on 12 December he received Nikos Kaloudhis, member of the Politburo and Secretariat of the Greek Communist Party. (BTA 1945 GMT 12 Dec 88) Balev held talks in Sofia with a delegation from the Social Democratic Party (SPD) of the FRG, led by Wolfgang Roth, deputy chairman of the party's faction in the Bundestag, that visited Bulgaria from 18 through 21 December. (BTA 1811 GMT 21 Dec 88) In Blagoevgrad on 22 December Balev attended a plenum of the Sofia Oblast BCP Committee. (Sofia Domestic 1830 GMT 22 Dec 88)

Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense, attended a conference in Sofia on 16 December of the Defense Support Organization, (Sofia Domestic 1830 GMT 16 Dec 88) and also welcomed the defense ministers and Warsaw Pact Joint Armed Forces chiefs, who arrived to take part in a session of the Defense Ministers Committee of the Warsaw Pact member countries. (BTA 2142 GMT 16 Dec 88) In Sofia on 17 December Dzhurov also chaired the session of the Warsaw Pact Defense Ministers Committee. (BTA 1620 GMT 17 Dec 88)

Grisha Filipov, Politburo member and secretary of the BCP CC, made a report in Sofia on 15 December to the National Assembly at its ninth session. (Sofia RABOTNICHESKO DELO Bulgarian 16 Dec 88 pp 1, 4) In Lovech on 22 December he attended a festive meeting to mark the anniversary of the formation of the local party organization and the birth centenary of a local revolutionary hero. (Sofia Domestic 2030 GMT 22 Dec 88) Filipov held talks in Sofia with the SPD delegation led by Wolfgang Roth that visited Bulgaria from 18 through 21 December. (BTA 1811 GMT 21 Dec 88)

Dimitur Stoyanov, at the time, candidate member of the BCP Central Committee Politburo and minister of internal affairs, but elected full Politburo member and secretary of the BCP Central Committee on 14 December, returned to Sofia on 9 December with an internal ministry delegation from a visit to Moscow. (Sofia Domestic 1600 GMT 9 Dec 88)

In Sofia on 21 December Yordan Yotov, Politburo member and secretary of the BCP Central Committee, received the participants in an international conference of socialist countries' experts on developing economic awareness in socialist society. (Sofia Domestic 1730 GMT 21 Dec 88)

Andrey Lukanov, candidate member of the BCP Central Committee Politburo and minister of foreign economic relations, had talks in Sofia with the SPD delegation led by Wolfgang Roth that visited Bulgaria from 18 through 21 December. (BTA 1811 GMT 21 Dec 88)

Stoyan Ovcharov, candidate member of the BCP Central Committee Politburo and minister of the economy and planning, made a speech in Sofia on 15 December on the 1989 draft plan and budget at the ninth session of the National Assembly that opened that day. (BTA 1936 GMT and 2143 GMT 15 Dec 88) Ovcharov also held talks in Sofia with the SPD delegation led by Wolfgang Roth that visited Bulgaria from 18 through 21 December. (BTA 1811 GMT 21 Dec 88) In Sofia on 19 December Ovcharov gave a press conference for journalists who are covering the National Assembly session. (Sofia Domestic 1830 GMT 19 Dec 88)

Emil Khristov, secretary of the BCP Central Committee, attended the annual general meeting of the Medical Academy in Sofia on 22 December. (Sofia Domestic 1830 GMT 22 Dec 88)

Dimitur Stanishev, secretary of the BCP Central Committee, returned to Sofia on 21 December from a tour of Latin America. (Sofia Domestic 0900 GMT 21 Dec 88) In Sofia on 21 December Stanishev received Aleksey Tupolev, chairman of the Central Leadership of the Soviet-Bulgarian Friendship Society. (Sofia Domestic 1830 GMT 21 Dec 88) In Sofia on 22 December he received a delegation of visiting political scientists from the political science department of Belgrade University. (BTA 1752 GMT 22 Dec 88)

Janak Speaks to CPSL Central Committee

Addresses Tasks

AU2712150088 Bratislava PRAVDA in Slovak 20 Dec 88 p 1

[Unattributed report: "The CPSL Central Committee Held Meeting Yesterday; Let Us Transform the Advantages and Potential of Socialism Into Concrete Results"]

[Excerpts] Bratislava— The CPSL Central Committee held a session in Bratislava yesterday [19 December]. [passage omitted]

The deliberations were opened by Comrade Ignac Janak, member of the CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee. [passage omitted]

Those present paid respects to the victims of the destructive earthquake in the Armenian SSR with a minute of silence.

Comrade Ignac Janak stressed the high value of the spontaneous help which work collectives of enterprises, plants, united agricultural cooperatives, social organizations affiliated in the National Front, as well as individuals are extending to the Armenian people to eliminate the consequences of the natural catastrophe.

Comrade Ignac Janak stressed that the CPSL Central Committee is meeting immediately after the 12th session of the CPCZ Central Committee, which assessed the party's progress in restructuring and democratization after the 10th session, convened the 18th CPCZ Congress, and addressed the tasks of the party when it comes to preparing for the congress.

The 12th session critically assessed the social and economic development in 1988, and discussed the preparations of the national economic plan for 1989 and the progress of restructuring the economic mechanism to date.

It highly valued and unequivocally endorsed the new peace proposals of the Soviet Union, which Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet, submitted from the rostrum of the 43d session of the UN General Assembly.

We believe, Comrade Ignac Janak said, that the results of the 12th CPCZ Central Committee session will receive the full support not only of Communists, but also of the entire general public in Slovakia, and that through their active attitude our citizens will contribute to the consistent implementation of its resolution.

As it was throughout the party, in Slovakia, too, the results of the 10th Central Committee session were met by a positive reaction among Communists and the rest of the citizens. The working visit by Comrade Milos Jakes to Bratislava, Banska Bystrica, and Martin on the occasion of the 70th anniversary of the founding of the Czechoslovak Republic elicited great response and appreciation.

The working people received with interest and assent the declaration of the CSSR Government delivered by Comrade Ladislav Adamec, and the speech by Comrade Ivan Knotek, premier of the Slovak SR, on the forum of the Slovak National Council. We must not betray the trust of our fellow citizens and we will consistently fulfill the tasks contained in the declarations.

In accordance with the statutes, the 12th CPCZ Central Committee session set the 18th CPCZ Congress for 10 May 1990. This is one year earlier than originally envisaged. As Comrade Milos Jakes stressed in his opening speech, the reasons for this, above all, are the ongoing significant changes in the party and society, and the new tasks, demands, and problems that are occurring, which the CPCZ Congress must assess. The convocation of the congress ahead of schedule will also be important from the viewpoint that the directive as well as the Ninth 5-Year Plan will be discussed well in advance, which is desirable. The congress will comprehensively assess the results achieved in the social, economic, and cultural development of our society, and the progress to date in restructuring, in the reform of the economic mechanism, and in society's democratization. At the same time it will set the fundamental political line and the course of the party and of its bodies and organizations when carrying out further revolutionary changes in the interest of the acceleration of social and economic development.

The main tasks of the precongress campaign, also in Slovakia, will be to comprehensively and profoundly figure out how to transform the great advantages and potential of socialism into concrete results in the economy, technology, science, and culture, in social development, and in the way of life.

Comrade Ignac Janak said further that on the agenda of the CPSL Central Committee deliberations is also the draft of a new CPSL Central Committee cadre roster, which proceeds from the CPCZ Central Committee cadre roster. It contains demands on cadres from the viewpoint of contemporary needs, a defined and simplified mechanism for submitting cadre proposals to party bodies. From the draft it arises that the Central Committee nomenklatura is being reduced, and that the powers and the responsibility of the lower components of the party structure as well as of the pertinent ranking personnel, when implementing cadre policy within the range of their activity, are being strengthened. [passage omitted]

Gives Closing Speech

*AU2812090188 Bratislava PRAVDA in Slovak
20 Dec 88 p 2*

[Unattributed report: "The CPSL Central Committee Held a Meeting Yesterday; Let Us Transform the Advantages and Potential of Socialism Into Concrete Results"]

[Excerpt] [Passage omitted] Comrade Ignac Janak, member of the CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee, spoke at the end of the deliberations of the CPSL Central Committee [in Bratislava on 19 December]. He said that the CPSL Central Committee endorses the decision of the CPCZ Central Committee and the CSSR Government to accelerate the realization of restructuring and, as of 1 January 1989, begin operating under new economic conditions.

The convocation of the 18th CPCZ Congress and the adoption of the resolution on annual membership meetings, plenary meetings, and conferences will certainly further mobilize the energy of Slovak Communists for the best possible fulfillment of the tasks of the Eighth 5-Year Plan.

As arose from the report [on the fulfillment of the plan of social and economic development in 1989, on the 1989 Plan, on the progress of the restructuring of the economic mechanism in the Slovak SR, and on the tasks arising from the 12th CPCZ Central Committee session for the work of Communists in Slovakia, delivered earlier on 19 December by Ivan Knotek, CPCZ Central Committee Presidium member and Slovak premier], we have registered an upsurge in social and economic development in Slovakia this year. In 3 years we will in essence attain the level decreed by the Eighth 5-Year Plan in the main branches of material production. The creation of national income is nearing the dynamism set for the 5-year plan.

However, we are not satisfied with the imbalanced development which continues in several areas of the Slovak economy. We consider it necessary that the Communists in the Government of the Slovak SR, in ministries, in economic and trade organizations, and in national committees devote exceptional attention to the fulfillment of the plan, particularly to domestic trade and services. Production and trade must play the key role in improving the state of affairs. We expect much more than has been the case to date from the production and consumer cooperatives, and from the economy managed by the national committees.

At the 12th session and several times here today it was said that a fundamental shift must occur in capital construction. At practically every session, we speak about problems in this sphere. The results to date, as well as the checks by the People's Control Committee, attest to the fact that the desired shift has not occurred. Production capacities are not being put into operation on schedule and with the projected parameters. The construction of important and necessary capacities for the health and social spheres, and for education is lagging. The construction of ecological projects is unsatisfactory. Criticism, especially from young families, of the great delays in comprehensive housing construction and, in particular, of the quality of the newly built apartments, is justified.

The work under new economic conditions in Slovakia requires the adoption and rapid realization of concrete programs in restructuring production sectors in harmony with the needs of the Czechoslovak economy, and programs aimed at further phasing out unsalable products and types of production that make a loss. This requires the modernization of production branches, especially in the processing and food industry, the completion of production capacities in engineering and the electrotechnical industry, and the elaboration and ensuring of programs connected with developing the construction industry, the agricultural and food complex, services, and tourism.

It is impossible to increase performance without more rapidly making use of the results of scientific-technical development and of the international division of labor. We in Slovakia must also apply new methods and make use of the opportunities offered by the international division of labor much more extensively. The Robot (in Presov) and AVEX (in Bratislava) scientific-production associations, and others, can serve as examples.

The cooperation with enterprises, production associations, and scientific-technical institutes in the Soviet Union provides us with special opportunities. The talks held by delegations of the party and state bodies in our country and in Kiev have created conditions for expanding and intensifying mutual relations between Slovakia and the Ukraine. It is necessary that the government, ministries, enterprises, and organizations implement in practice the plans which have been agreed.

Comrade Ignac Janak further stressed that the CPSL Central Committee deliberations are to significantly help mobilize the party bodies and organizations, the Communists, the working people, social bodies and organizations to fulfill the tasks of social and economic development next year.

It is important that work collectives discuss the tasks of the plan responsibly. The pertinent management staffers must definitively resolve the open problems which were discussed at the session. This applies in particular to supplier-user relations.

It is necessary to observe discipline and order systematically. Fires, breakdowns, labor, road, and other accidents are causing great losses. They are causing considerable material losses, disrupting the rhythm of the economy, damaging the environment and, what is most painful, they are also accompanied by loss of life.

By deciding to convene the 18th CPCZ Congress, the party is entering an exceptionally important period of intensive work. As Comrade Milos Jakes said at the 12th session, this requires "in the entire precongress period, the consistent fulfillment of tasks in the social and economic spheres and in other spheres of social life, the consolidation of the unity of the party and its ability to act, and of its ties with the people. We must see to it that broad scope is created everywhere for the development and assertion of all creative forces of society."

Decisively embarking upon the path of an effective and democratic management of the social process, and elevating our society to a qualitatively higher level of development requires increasing demands on the work of the party, on the activity of Communists in all sectors of political, economic, and social life of the Slovak SR.

We consider that demanding a new creative spirit and productive energy in the work of every Communist is something that is of exceptional importance. A person who only wants a "free ride" cannot pass muster in this endeavor. We also must not forget that socialism was born in a sharp class struggle and is the result of the selfless work of generations. This obliges us to strengthen the responsibility for making fuller use of the potential of socialism, which is indivisibly connected with the interests of all mankind. We will not abandon our intention to develop and perfect socialism, and we will not permit anyone to cast doubt on it and thwart it.

It is, above all, in the primary organizations that the realization of the objectives, resolutions, and policy of the party is decided. The correct political atmosphere at the workplace, frank comradely relations, the functioning of the party as a political vanguard, and its high degree of informal authority among the working people depend to a decisive degree on the activity and the standard of work of the chairman, the party committee, and other party members. The work of the primary organizations reflects in a concentrated form the quality of the work of all higher party bodies. We must proceed from this when preparing the annual membership meetings of primary organizations and party conferences, the holding of which was decided at the 12th CPCZ Central Committee session.

In the precongress period we must make even more creative use of the inspiring results of the 19th All-Union Conference of the Soviet Communists, of the November session of the CPSU Central Committee, and of the experience from the course and results of the CPSU's annual membership meetings and conferences.

Closing his speech, Comrade Ignac Janak thanked the members and candidate members of the CPSL Central Committee and, through them, all Communists and fellow citizens in Slovakia for the work done. He expressed the wish that next year would be a year of peace; that, by virtue of the results of our work, we would all contribute to the further upsurge of socialism in our country and in the world.

The session ended with the International.

Janak Addresses UJ SZO Anniversary Aktiv

AU2312120388 Bratislava PRAVDA in Slovak
19 Dec 88 pp 1, 2

[CTK report: "UJ SZO, the CPSL Central Committee Daily, Celebrates the 40th Anniversary of Its Founding; In the Spirit of Revolutionary Press"]

[Excerpts] Samorin—On the occasion of the 40th anniversary of the CPSL Central Committee's Hungarian-language daily UJ SZO, its staffers held a festive aktiv in Samorin near Bratislava on Saturday [17 December]. [passage omitted]

Addressing the aktiv, Ignac Janak, member of the CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee, stressed in part that the consistent implementation of the CPCZ' nationality policy has established in the socialist society relations of equality and fraternal cooperation between the nations and nationalities of Czechoslovakia. The life and the dynamic development of the regions inhabitated by Czechoslovak citizens of Hungarian origin convincingly document the fact that they have a real home in socialist Czechoslovakia. The typical features of our nationality policy are the comprehensive development of these regions, their social status based on equal rights, the development of the nationality education and cultural traditions, an inseparable part of which are, for example, the Hungarian Regional Theater, the Madach publishing house, and also the system of the press published in the Hungarian language. An equal testimony to the success of our nationality policy is the conscientious, initiative, and active participation of the citizens of Hungarian nationality in the common feat of building socialism, and in the implementation of the CPCZ' policy. Our Hungarian fellow citizens have comprehended the call of the times and are intensively taking part in the historical feat of restructuring, which provides them new opportunities for further dynamic development. [passage omitted]

Comrade Ignac Janak further highly praised the fact that UJ SZO, especially of late, has been changing its content and appearance in accordance with the needs of the party. This has elicited increasing interest on the part of the readers in their newspaper. However, the decisive thing is that a fact affirmed by history repeats itself: The more consistent is the intertwinement of the work of the editorial office with the life and tasks of the party, the more thoughtfully and actively the editorial office is able to mobilize its readers for programmatic goals, the greater becomes their interest in their daily. [passage omitted]

Jakes Visits Czech National Council

LD2212070188 Prague Domestic Service in Czech 1100 GMT 21 Dec 88

[Text] We start our bulletin with a report from the Czech National Council which was visited today by Milos Jakes, general secretary of the CPCZ Central Committee. Lubos Lidichy now reports on his working visit to our highest legislative body in the Czech SR:

[Lidicky] First of all Comrade Jakes acquainted himself with the progress in reconstructing this historic building of the Czech National Council which is to be handed over to deputies for use by the end of next year. Prof. Zdenek Krejci briefed Comrade Jakes on the complexity of reconstructing the former Czech assembly. Despite the fact that this is the most extensive reconstruction in the 300 years of the building's existence, builders intend to deal with this exceptional task honorably.

Then Comrade Milos Jakes met member of the Presidium of the Czech National Council Comrade Josef Kempny, who briefed him on the immediate tasks of deputies, both in working restructure the economic mechanism and improve the legislative work of the Czech National Council.

During the frank discussion, deputies spoke not only about their work but, above all, about problems and worries of those who have given them their trust. They discussed the necessity of improving the comprehensive amenities of housing projects and cities, the standard of services, problems of working women, the stagnation of the health service, and so on. Participants in the meeting also shared their experience gained in their constituencies.

Comrade Milos Jakes expressed appreciation for the work of deputies not only in the top representative bodies but at all levels starting with the local National Committee. He briefed deputies in detail on the conclusion of the last session of the party Central Committee and outlined his vision of the future direction of society. In conclusion he wished all those present many successes in the new year.

Result of Czech National Council By-Election

AU2312131388 Prague RUDE PRAVO in Czech 17 Dec 88 p 2

[CTK report in the "By Teletype, Mail, Telephone..." column]

[Text] The Czech Election Commission of the National Front held a meeting in Prague on Friday [16 December]. It discussed and approved the final report on the course and result of the by-election to the Czech National Council [CNR] in Constituency No 13—Prague 6—Northwest, which took place on 15 December. The commission noted that Viktor Pazler was elected deputy of the CNR.

CPCZ Central Committee Highlights Detailed

Zavadil Gives Speech

AU2212154388 Prague RUDE PRAVO in Czech 19 Dec 88 p 5

[Report on speech by Miroslav Zavadil, CPCZ Central Committee Presidium member and chairman of the Central Trade Union Council, at the 12th CPCZ Central Committee Session on 16 December]

[Excerpts] I want to reaffirm that the government program is supported by the Revolutionary Trade Union Movement [ROH], not only in the center, but also in every working collective. We regard its implementation as a matter concerning all our people, which makes it the primary interest and task of our trade union organization. However, this does not mean that we are giving up our right and duty to frankly express our own stands and views or to convey the comments of our working people, or that we will not critically speak of things hampering our restructuring process and disrupting trust in the party's policy. [passage omitted]

I support the government decision to speed up the restructuring of our economic mechanism; I consider it responsible of the federal premier to have frankly and specifically pointed out the considerable risks involved in this, thus telling us which prerequisites must be created in our state and economic spheres and how the mass political work of the party and the trade unions must be oriented. Justified comments and critical views have been voiced about the implementation of the law on enterprises in practice; there seems to be a lack of understanding, illusions, and speculations about it. This was to be expected; but our main concern is to remove the problems, erroneous practices, and wrong interpretations in time. [passage omitted]

The first socialist self-management bodies were recently set up; their significance is incontestable, but their justification must be affirmed in practice. However, the councils set up in a number of enterprises have (unfortunately) not yet begun to operate. The responsibility for this lies with the directors of the state enterprises involved, who must be primarily interested in the activities of enterprise bodies. [passage omitted]

The policy of restructuring and the conclusions of the seventh and other party Central Committee sessions have been met with support, and are gradually taking root in the life of our society. However, in my view the set tasks are pursued in certain localities and areas less and less dynamically and vigorously. I believe that one of the reasons is that not all Communists, and particularly not all functionaries, are making their positive attitude toward restructuring abundantly clear. We should see that one of the paths leading to increased activity and party responsibility lies in charging the Communists with specific tasks. However, the increasingly demanding, critical approach to everyone's work must not be combined with a rating of individuals. Restructuring demands unity; it must unify the Communists. Today more than ever it is true that the unity of the party and the people is the guarantee of further socialist construction in our country. [passage omitted]

The trade union movement must simplify its existing, rather complicated organizational structure, particularly in individual trade unions. Basically, the thing is to limit the number of intermediary links between the center and the primary organizations by disbanding trade union committees without appropriate state or economic partners. At the same time, we must cut down the apparatus, reduce the number of commissions, and above all substantially change their style of work, reducing the number of meetings and conferences and leaving more time for work in primary organizations. The approach of certain trade union bodies and officials to restructuring is limited to superficial changes; they have failed to grasp the trade unions' new tasks under the new conditions. It is no exception for them to give priority to the interests of the body they represent (or to their personal interests) when supporting restructuring. [passage omitted]

The premier's report has critically appraised our wage policy. This is nothing new, but it must make us uneasy. I see it as one of the main political problems of the present. In line with the conclusions of the national trade union conference, the Central Trade Union Council (URO) endorses the view that we cannot go on paying for work that is not based on results. This would lead us to inflation and seriously threaten our living standards and social certainties. [passage omitted]

The people must be certain that it pays to work honestly and honorably. I think it is high time to gradually, but consistently, eliminate various "payments in kind" and other unwarranted benefits. The principle of social justice (stressed at the seventh CPCZ Central Committee session) has a high political and moral value.

The CPCZ Central Committee report to the ninth Central Committee session said that it is desirable to prepare a draft law introducing the requirement to prove the source of any property out of proportion to one's income. In full harmony with the views of most working people, the delegates to the national trade union conference supported this proposal, proceeding from the fact that many people in our society have undeserved property and are exploiting socialism like parasites. However, the realization of this demand is being postponed. Some say that no special law is needed and that the existing legal provisions suffice. If this is so, then why have the appropriate agencies not applied the full powers of the law in the past? [passage omitted]

When striving to make life in our society more democratic and to improve our political system, we must see that we are living in a class-divided world. We, too, have forces in our country which want to play the role of opposition. Our working people are asking: What do all these groups want? Whose interests do they express? In whose name do they speak? Who gave them the right to appraise our restructuring, even to reproach us for not learning properly from Soviet "perestroyka"? It should be rightly said here that the so-called Prague Spring had nothing in common with the revolutionary transformations in the Soviet Union.

We are not so naive as to believe that Vaclav Havel and his pals in the so-called Charter 77 group wish to improve the Leninist idea of socialism or to fight for restructuring. Our class interests and views are opposed. Their moral profile is disclosed by the fact that they receive regular payments from the West. One of the sources is the so-called Charter 77 Fund, financed by Scandinavian cultural organizations. This year alone Sweden has sent them Kcs367,000 in TUZEX vouchers: Jiri Dienstbier received Kcs4,000, Zuzana Dienstbierova Kcs6,000, Vaclav Havel Kcs9,000, Olga Havlova Kcs9,000, Jiri Hajek Kcs49,000, and so forth. This tells us everything. [passage omitted]

In my view, one of the main tasks in the coming period will be to reinforce the party's unity, to lastingly shape and consolidate the relations of comradeship, mutual respect, and trust among communists. The process of normalizing socialist morality in our society must find an example in the party, above all among the functionaries, starting with the members of the party's Central Committee.

Resolution Outlined

AU2312115188 Prague RUDE PRAVO in Czech 17 Dec 88 pp 1, 2

["On Tasks of Communists in Ensuring the 1989 Plan and the Progress of Restructuring of the Economic Mechanism"]

[Text] At its session on 15-16 December 1988, the CPCZ Central Committee discussed the report by CSSR Premier Comrade Ladislav Adamec on the fulfillment of the plan for social and economic development in 1988, the ensuring of the 1989 Plan, and the process of restructuring the economic mechanism.

After the discussion of the report that had been delivered, the CPCZ Central Committee noted that thanks to the increased activity by the majority of work collectives, we have achieved further growth in the country's economic potential and an improvement in the development of some areas of the economy. In principle, the program of the party's social policy is being implemented with success. Personal consumption is developing in accordance with the 5-year plan, and its growth in the past 3 years is higher than that during the entire Seventh 5-Year Plan.

However, despite the undoubtedly positive aspects, there are still serious shortcomings in the intensification of the economy, which manifest themselves in the lower generation of national income, and limit our possibilities regarding the allocation and use of resources. The fundamental problems arising from the inadequately effective application of scientific-technical progress are the slow rate of reducing production costs and the inferior quality and technical standard of products and innovation. Poor export performance and a reduction in the effectiveness of foreign trade lead to the worsening of unfavorable tendencies in external economic relations.

Marketing conditions and terms of payment, especially in exports of engineering products, are worsening, and shortfalls are being made up for by exports of consumer goods and products with a low added value.

Development programs and structural changes in the processing sectors are being insufficiently implemented, whereas tasks in material- and energy-intensive branches are being exceeded. Inventories continue to increase, the utilization rate of machinery and equipment is getting lower, supplier-user relations are deteriorating. The development of capital construction is unsatisfactory, because capacities in this category are constantly being put into operation late, because the technical-economic parameters of a number of projects are not being observed, and because the number of unfinished projects is increasing.

Results in the agriculture and food complex are creating conditions for a smooth supply of basic foodstuffs to the market. However, the high material, energy, and investment costs of finished products and the considerable losses in harvesting and processing remain. The quality and range of products, especially for healthy nutrition, are improving slowly.

The development of living standards is being ensured by making use of reserves, reducing investments, and making greater use of external resources. The real monetary incomes of the population have grown faster than the plan envisaged. However, the volume and the structure of deliveries to the domestic market or the standard of services do not correspond to this; the number of types of goods in short supply has also increased.

With regard to comprehensive housing construction, especially with the completion, modernization, and renovation of apartments, the tasks of the plan are not being ensured. The realization of the program to protect and shape the environment is unsatisfactory.

Work on restructuring the economic mechanism is, in principle, in harmony with the resolution of the seventh session of the CPCZ Central Committee.

The adoption of the law on state enterprises, the laws on cooperatives, and other legal documents and systemic measures creates new conditions for the development of the working people's creative initiative, socialist entrepreneurship, and interest in higher quality and the final results of their style of management. This is affirmed by the results of and experience from the experiments to date.

Asserting greater independence for enterprises, democratization, and increasing responsibility for the results of their style of management places greater demands on party work, on its importance in explaining and applying the new conditions, and on consistently overcoming outdated methods of management.

The role and responsibility of central bodies in creating and working out a comprehensive state plan and a system for the routine regulation of the economy's development, with the aim of creating favorable conditions for enhancing the initiative and entrepreneurship of economic organizations, is qualitatively new.

The restructuring of the economic mechanism brings with it a number of potential problems. Of the most serious are placing the interests of groups above the interests of society, insufficient training and commitment of cadres and, in some cases, a poor integration of the adopted measures. Some of the ranking personnel still mark their time, play it smart, and often even violate party and state discipline. Nonappreciation of these potential difficulties could, as a result, lead to inflation.

The CSSR Government adopted a number of measures aimed at the gradual elimination of the imbalanced development in some areas of the economy, an imbalance which could disrupt the entire restructuring process. It was also decided to accelerate the restructuring of the economic mechanism in order to overcome problems and difficulties of the preparatory period, construct a new structure and understanding of the work of the central bodies and of the production and nonproduction sphere, to systematically transfer over to economic accountability and self-financing, as well as consistent remuneration based on the results of one's work.

On the basis of the assessment of the implementation of the conclusions of the 17th CPCZ Congress in the social and economic spheres in the first 3 years of the Eighth 5-Year Plan and of findings and suggestions by territorially-based [uzemni] party bodies, Communists, and citizens, the CPCZ Central Committee endorses the course of the CSSR Government as expressed in its program statement and in the report of the premier, Comrade L. Adamec, delivered at the 12th CPCZ Central Committee session. It stresses the responsibility of Communists in the federal government, in the republics' governments, in all management bodies and in the economic sphere for the acceleration of social and economic development, for creating more resources, for implementing the restructuring of the economic mechanism, for additionally raising living standards, and for improving people's social amenities. I. The CPCZ Central Committee attaches fundamental importance to a well-executed elaboration and realization of the state plan for 1989. It considers the determined objectives and tasks to be the minimum. The Czechoslovak economy is capable of achieving better results, especially better quality, efficiency, and overall thrift. This has to be energetically tackled in the restructuring of the economic mechanism; it is necessary to more resolutely resolve the run-of-the-mill problems connected with the development of the economy and improve the balance in the creation and use of resources and, in this respect, utilize the activity and initiative of work collectives and the traditional skills and high qualifications of our working people.

It expresses dissatisfaction, because despite the fact that there was sufficient time to draft and secure the plan for 1989, a change in the approach of management and organizational work did not take place at all levels. A number of enterprises still have not validated the tasks of the plan, particularly in respect to quality, but also to quantity, and demand higher deliveries of energy, materials, foreign exchange and investment resources, and so forth. This, in particular, is reflected in the lower-than-planned creation of profits, higher production costs, and also in the nonfullfillment of planned deliveries to the domestic market and exports to the nonsocialist countries.

Overcoming the existing shortcomings demands a speedier solving of the main problems in individual sectors.

It is necessary to pay particular attention to both engineering and electrical engineering, with the emphasis on improving the quality and the technical-economic parameters of production, to carry out structural changes faster while giving preference to future-oriented sectors and, at the same time, to phase out inefficient productions and liquidate those whose products do not sell.

In the consumer industry it is necessary to seek the solution of accumulated problems with greater intensiveness, especially by means of modernizing selected capacities for the production of consumer goods, and at the same time create more favorable working and living conditions for people, particularly in the main centers of light industry.

In the agricultural and food complex it is necessary to ensure a faster growth for plant production than for animal production by mobilizing all untapped resources, and to reduce high production costs by eliminating losses in production and processing.

It is necessary to achieve a decisive turn in the entire investment process, which is the condition for successfully realizing structural changes in the national economy. Therefore, the CPCZ Central Committee expects the CSSR Government, based on the results of the inquiry into projects proposed to start in the 1989-90 period, will adopt energetic measures to cancel projects that do not correspond to the desired efficiency, reduce the number of unfinished projects, shorten construction deadlines, change the structure of construction capacities, and increase their overall performance. The freed capacities must be directed toward crucial priorities, especially toward the advanced branches of the processing industry; and modernization and reconstruction, including the housing inventory; and the implementation of the environmental program.

The task in external economic relations is to increase the profitability of foreign trade and to not permit debts to grow above the level set by the 1989 Plan.

The realization of the intentions of the social program determined by the 17th CPCZ Congress must be based on the creation of resources. At the same time, this requires us to spur on manufacturers and trade organizations more quickly and effectively to balance the domestic market and improve supplies; fulfill planned deliveries to the domestic market and, where goods are in demand, exceed them; more extensively involve nontraditional producers, production cooperatives, local industry, and the nonagricultural activity of united agricultural cooperatives and state farms; expand and improve services for the population; and consistently ensure harmony between the development of wages and personal earnings on the one hand and the creation of resources on the other.

The year 1989 is also important from the viewpoint of both the formulation of the 1990 Plan under the new conditions and the preparation of the Ninth 5-Year Plan. It must be characterized by the introduction and realization of fundamental structural changes, the high quality and technical-economic standard of final products, and effective involvement in the international division of labor. II. In the interest of creating the right conditions for the economy to embark on the Ninth 5-Year Plan, the CPCZ Central Committee considers it necessary to implement the CSSR Government's decision to accelerate the restructuring of the economic mechanism in such a way as to make it possible to apply it as widely as possible beginning in January 1990.

To this end it is necessary to strongly intensify work on concretizing measures and introducing them in practice, and to coordinate the approach of the bodies of the united national-economic center. It is necessary at all times to harmonize the plans of the newly established state enterprises with the economic strategy of the center, work with different variants, and strive for a comprehensive and coordinated plan. It is necessary to rid all work of a narrow departmental approach or local approaches and systematically seek more effective ways to combine national interests with the interests of work collectives. The acceleration of the preparations of the law on national economic planning and the consistent implementation of the tasks connected with the restructuring of wholesale and procurement prices and the continuous updating of these prices is of exceptional importance.

It is necessary to intensify the application of the principles of merit and differentiation in the remuneration of both collectives and individuals according to the quality and technical standard of production, the growth of labor productivity, and the final results for society. It is necessary to finalize instruments for increasing foreign exchange incentives in support of the economy's export efficiency; this includes the concept of the gradual convertibility of the Czechoslovak koruna. Particular care must be given to formulating instruments that will result in the needs of our domestic market being better satisfied, something that is the main task of the production sector.

In accordance with the adopted measures, it is necessary to complete the organizational restructuring of the production-technical, scientific-research, and distribution [Obehova] base of the national economy into state enterprises. The elections of party committees, councils of work collectives, and directors of enterprises must be properly prepared. The newly established state enterprises must make better use of their powers and responsibility, and expediently combine fulfillment of the plan with the preparation and introduction of the new economic mechanism.

The consistent implementation of economic accountability and self-financing, efficient intraenterprise management, and the creation of practical organizational structures in enterprises that will make each collective and individual have an interest in the results of his work and become a manager at his place of work is the purpose of the measures that are being adopted.

The most important thing for the success of the restructuring of the economic mechanism is the work of the people, especially ranking personnel—their entrepreneurship, their sense of creative quest, and their willingness to take healthy risks. In conjuction with the implementation of these tasks, party work is becoming increasingly important in such areas as explaining the purpose and essence of the changes and in seeking and introducing new forms and methods of work aimed at winning over work collectives. This is being done in order to achieve better results, both in their own interests as well as in the interests of society as a whole. The more expedient involvement of the working people in management requires increasing the degree to which they are informed about the progress and the results of restructuring, so that they can actively influence and secure the course it takes. At the same time it is necessary to contine to overcome simplistic ideas about the new instruments working automatically. The responsibility of ranking economic personnel and work collectives for tightening work and technological discipline, improving order at worksites, and ensuring that worktime is fully utilized is increasing.

The present tasks place high demands on the activity of all components of the political system, on the initiative of Communists in these components, and on the work which is the prerequisite for obtaining support for the party policy in implementing the strategy of the acceleration of economic and social development through restructuring.

The CPCZ Central Committee attaches great importance to the activity of the national committees. It is necessary to perfect their self-managing functions and to intensify cooperation with the bodies and organizations of the National Front and collaboration with economic organizations within the range of their activity. There must be greater resolve in eliminating administrative and bureaucratic approaches in the interest of creating better conditions for the life of the people. Here it is necessary to consistently assert measures aimed at strengthening the economic base and the incomes of the city and local national committees, and increase their responsibility for the management of the comprehensive development of territorial zones [uzemni obvody].

In the cities and villages it is necessary to make a practical use of social resources, mobilize local resources, and develop citizens' personal initiative when ensuring election programs. III. The CPCZ Central Committee instructs:

1. The party bodies and organizations and all Communists to create an atmosphere of exactingness and responsibility for the fulfillment of the tasks of the 1989 State Plan. To direct the effort to exceed them in the desired directions. To continue enhancing the effectiveness of the political leadership, and by their example and activity, to win over work collectives and the general public for the resolute realization of the economic and social restructuring.

To continue perfecting the forms and methods of the implementation of the party's leading role in the economy, coordinate the course of the state, economic, and social bodies and organizations, to consistently demand the fulfillment of entrusted tasks, and not to substitute for state and economic bodies. In harmony with this, to increase demands on Communists in leading posts, and on their exacting approach to the results of work in the collectives which they are in charge of. To accelerate work in enterprises and collectives that is connected with the implementation of economic accountability and self-financing, as well as being closely connected with the renumeration and assessment of work collectives and individual in accordance with the final results of work. Not to avoid conflicts, but to provide political support to those who by their results to date and commitment to party policy have been consistently pressing for high effectiveness, thriftiness, and quality of production, speedy application of scientific-technical findings, utilization of the advantages of the international division of labor, and practicing socialist entrepreneurship.

To orient party control toward consistent assertion of national interests, observance of planning, price, and financial discipline, and improvement of supplier-user relations.

By concrete political-organizational and mass political work, and an open approach to problems; by providing extensive information on tasks being solved by the party; by clarifying the purpose of the party and state resolutions to create a favorable atmosphere for the acceleration of the social and economic development, restructuring and democratization would become the affair of all party organizations, all Communists, and all work collectives and citizens.

2. Communists in state and legislative bodies, governments, and national committees

To consistently ensure the tasks of the 1989 state executive plan and seek possibilities to exceed it in the desired directions. See to it that all efforts are oriented toward satisfying the needs of society, more energetically and flexibly, and to expediently resolve shortcomings. Create conditions for improving the supply of the domestic market, the standard and structure of services, housing, health care, and the creation and protection of the environment.

In cooperation with economic organizations, to solve the plan's open problems. Ensure the timely and quality preparation of the 1990 Plan under the new conditions, while resolutely asserting efficiency and thriftiness in all sectors.

To create the conditions for the successful implementation of the new economic mechanism in the entire national economy beginning in 1990. To this end to provide for the timely adoption of the necessary laws and other legal norms and the rescission of those that prevent the acceleration of the process of restructuring, quality training of management cadres at all levels and the completion of the organizational restructuring of the production-technical, scientific-research, and distribution base of the national economy into state enterprises. Resolve the situation of the management of the nonproduction sphere once and for all.

To enhance the management efficiency and control activity of the united national-economic center. At the same time to create scope for the independence of economic organizations, and for them to show initiative and socialist entrepreneurship.

To accelerate work on drafting the Ninth 5-Year Plan and other documents for the preparation of the 18th CPCZ Congress. In this respect to also bring work to an end on and to apply the long-term outlook and concept for the development of the national economic complexes.

3. Communists in economic organizations

To adopt specific measures for ensuring the tasks of the 1989 State Plan in their economic plans and in the breakdown of their plans for individual work collectives and individuals

To energetically resolve problems in the capital investment sector connected with the utilization of machinery and equipment and problems in supplier-user relations and in the reduction of inventories.

To consistently ensure that the technical standard and quality of production is increased and that both material, wage, and aggregate costs and the energy intensiveness of the production sector are reduced. To more actively apply the principles of merit and differentiation in remuneration so that wages correspond to the productivity, quality, and results of each collective and individual. To make better use of the brigade form of the organization of work and remuneration, improve work and technological discipline and order in places of work, and make full use of worktime.

To direct socialist competition and other forms of the working people's initiative—while making use of the Central Trade Union Appeal and the Prague Appeal—toward enhancing efficiency and quality, and exceeding deliveries both to the domestic market and for export in the desired structure and choice.

To take an active approach to the acceleration of the restructuring of the new economic mechanism and introduce it into practice. Exceptional attention must be concentrated on the training of management cadres, self-management bodies, and entire work collectives so that they thoroughly understand the purpose of the restructuring of the economic mechanism and its practical application in the conditions of their organizations.

To streamline management and organizational structures and work out intra-enterprise economic accountability in such a way as to make every employee feel he is a manager at his place of work, and provide for elections of self-management bodies and directors.

4. Communists in the Revolutionary Trade Union Movement, the Socialist Youth Union, the Czechoslovak Scientific-Technical Society, the Union of Cooperative Farmers, and the Central Council of Cooperatives, and other organizations of the National Front

To mobilize the working people's creative forces, abilities, skills, and initiative for the consistent fulfillment and desired overfulfillment of the 1989 plan. To direct socialist competition, the innovators' and improvers' movements, and other forms of initiative of work collectives to this end in honor of the 18th CPCZ Congress.

The CPCZ Central Committee is confident that the decision to convene the 18th CPCZ Congress will be reflected in increased efforts by party bodies and organizations and all Communists to mobilize forces and resources for the consistent fulfillment of the tasks of the party's economic and social policy. It expects the decision to act as an impetus for developing a broad working initiative and socialist competition.

Press Conference Held

AU2312125288 Prague RUDE PRAVO in Czech
17 Dec 88 p 8

["vc, pos" - signed dispatch: "Consistent Course of the Party; From a Press Conference on the Results of the 12th Plenum"]

[Text] Prague (from our correspondents)—Shortly after the conclusion of the 12th session of the party Central Committee, a press conference on its results was held in Prague on Friday [16 December]. It was organized for Czechoslovak and foreign journalists by the CPCZ Central Committee International Affairs Department and the press section of the CSSR Ministry of Foreign Affairs.

Comrade Vladimir Patek, member of the CPCZ Central Committee and head of the CPCZ Central Committee Political Organization Department, told journalists that the most important outcome of the session is the decision to hold the 18th CPCZ Congress in May 1990, which is a year earlier than originally scheduled. In regard to the new cadre roster of the CPCZ Central Committee and the Committee for Party Work in the Czech SR, he remarked that it substantially simplifies existing rules. Henceforth, the nomenklatura of the CPCZ Central Committee and the Committee for Party Work in the Czech SR will be comprised of only the most important office holders, which reinforces the powers of lower party bodies, as well as nonparty bodies. The role of elected party bodies, in particular, is being enhanced. Lower party bodies over a period of time, will prepare new cadre rosters of their own.

V. Patek said that despite a reduction in the CPCZ revenues next year, which is connected with changes in the payment of membership dues by some members and candidate members of the CPCZ, the party will defray all expenditures from its own resources.

He went on to say that some cadre changes adopted at the session form part of a gradual turnover among cadres in the center and down below, a call for which was made by the seventh session of the CPCZ Central Committee a year ago, and are an expression of the endeavor to candidly implement tasks in this area. He said that Comrade Vasil Bilak remains a member of the CPCZ Central Committee and that Comrade Josef Kempny, chairman of the Czech National Council, not only remains a member of the CPCZ Central Committee, but a member of the Committee for Party Work in the Czech SR as well. Comrade Mikulas Beno, who also remains a member of the CPCZ Central Committee, changes—as has been announced—to a different post in the economic sector. Comrade Jozef Lenart will now be responsible not only for the economic sector, but for the foreign policy sector as well.

Comrade Bohumil Urban, member of the CPCZ Central Committee, first deputy premier, and chairman of the State Planning Commission, told the press conference that the state plan for 1989 does not foresee an overly high growth rate, but that emphasis is being placed on qualitative indicators, on cuts in costs and increases in profits, labor productivity, and in the quality of products. In the interest of achieving balance, the government is determined to more energetically tackle Czechoslovakia's current surpluses [in trade] with socialist states. Foreign credits can be accepted only for projects that ensure full returnability and also yield foreign exchange. He pointed out that the economy of a small country like Czechoslovakia is influenced by outstanding claims as well, which at present total over $1.5 billion.

He went on to say that at the beginning of next year federal and central agencies will adopt additional measures to improve the situation of the domestic market.

Asked about the possibility of accelerating the preparation of the party program, Vladimir Patek replied that it is impossible to complete the preparation of the entire program until the 18th party congress, and that only the **principles** -of the party program will be drafted. The party program will then be approved by the 19th congress. In reply to a Western journalist's question about whether Comrade Lubomir Strougal attended the session, Vladimir Patek said that he had apologized for reasons of ill health. The correspondent of the Yugoslav agency TANJUG asked whether it is true that Comrade Miroslav Valek is about to vacate the post of minister of culture of the Slovak SR. He was told that in October, National Artist M. Valek submitted a request to be released from the post of minister. He is now 61, has worked in this office for about 20 years, and would now like to devote himself to artistic work and to the execution of his other functions. V. Patek added that the candidate for the vacated post is Valek's deputy, Pavel Koys.

CPCZ Presidium Discusses Chemical Weapons

LD2212163088 Prague CTK in English
1547 GMT 22 Dec 88

[Text] Prague Dec 22 (CTK)—The Czechoslovak Communist Party Presidium today dealt with international talks on a chemical weapons ban and reiterated that the Czechoslovak Government is prepared to immediately start talks on the removal from or non-deployment of chemical weapons in Central Europe and on corresponding control measures.

Such talks would give the necessary impulse for accelerating progress towards a world-wide ban on chemical arms.

The Presidium noted that Czechoslovakia does not possess, manufacture nor stores chemical weapons on its territory nor are there facilities for the development and production of chemical weapons.

At its meeting today the Presidium debated an analysis of the state, use and effectiveness of the production potential and means being spent on social and personal consumption in the Czech and the Slovak Republic. It called it a distinct success of Czechoslovakia's socio-economic development over the past forty years that the economies of the two national republics had been brought to the same level in both production potential and satisfaction of people's needs. The analysis will be used in drafting the guidelines of the socio-economic measures for 1989-1990, preparation of the 1991-1995 plan and an overall prognosis to be submitted to the 18th party congress in 1990.

The Presidium described last week's talks of its member Jozef Lenart with Italian Communist Party General Secretary Achille Occhetto as important. The Italian Communist Party Central Committee invited a two-member Czechoslovak Communist Party delegation to its 18th congress in 1989.

Discussing housing construction the Presidium noted that the intentions of the 1986-1990 plan were not being fully implemented. It took note of a complex of government measures which are to lead to a more proportionate housing development after 1990 and which are economically feasible.

The Presidium heard a report on check-ups carried out by the committees of people's control in 45 organizations in the third quarter of 1988. The causes of poor quality of production were removed in 20 of them and 65 personnel changes were made in this connection. 75 organizations have been selected for check-ups on quality in the coming period.

Session on Preparation of CPCZ Program Held

AU2312132088 Prague RUDE PRAVO in Czech 16 Dec 88 p 1

["(z)"-signed report: "CPCZ Central Committee Commission Holds Its First Session; Preparation of CPCZ Program; Its Principles Will Be Assessed by the Next Party Congress; It Will Be Approved by the 19th Congress"]

[Text] Prague—The CPCZ Central Commission for the Development of the CPCZ Program convened for its first session under its chairman, CPCZ Central Committee General Secretary Milos Jakes, in Prague on Thursday [15 December].

Comrade Milos Jakes recommended submitting the principles of the CPCZ Program to the 18th CPCZ Congress for assessment, with the provision that the document should be worked out by the time of the 19th Congress, for its approval. Our society could proceed from the principles of the Program already in the period between the 18th and 19th congresses.

M. Jakes pointed out that we have been aware of the absence of a party program for a long time, particularly in connection with the question of why the party had not set new programmatic tasks during the sixties, since the resolution of the Ninth Congress of 1949 had been substantially fulfilled. The belated reaction to the problems in our society was one of the causes of the crisis-ridden development. The resolutions of the 14th, 15th, and 16th CPCZ Congresses could not replace the party Program, regardless of how good they were.

CPCZ Central Committee General Secretary Jakes stressed that the CPCZ program should provide a scientific-practical base for future political decisions and their gradual implementation. The program must be comprehensible, it must stimulate action, and at the same time it must be so binding as to permit us both to derive from it practical directives for our activity, and to appraise how we are progressing in its realization, i.e. in building socialism. All this places great demands on the elaboration of the program.

The session approved the establishment of working groups, headed by Comrades Karel Hoffmann, Jan Fojtik, Jozef Lenart, and Frantisek Hanus, CPCZ Central Committee secretaries; the groups will undertake the preparation of the individual parts of the program.

Israel 'Isolated' After 'Arafat UN Speech

AU2712093588 Prague RUDE PRAVO in Czech 16 Dec 88 p 7

[Josef Nyvlt article in the "We Comment" column: "A 180-Degree Turn?"]

[Text] The decision that the United States will start direct dialogue with the PLO, which American officials announced Thursday night [15 December], constitutes an important step on the road to an international conference on peace in the Middle East, to the solution of a protracted crisis, the further aggravation of which could at present end with a flare-up which would bear no comparison to the conflicts of the past 4 decades. After a temporary period of a more realistic approach by American policy toward the PLO at the end of the seventies, the dialogue is being resumed, this time as the result of the PLO's peace initiative.

However, the first reaction (and not only in the United States) to the Tuesday [13 December] Yasir 'Arafat speech at the 43d session of the UN General Assembly was far from unanimous. The first commentaries expressed uncertainty, and a number of them, for example in Britain's THE INDEPENDENT, contained open attacks on the PLO.

The ruling circles in Israel, despite being considerably busy with domestic political problems related to the formation of a new government following the November elections, on Tuesday [13 December] accepted the U.S. rejection of 'Arafat's speech with a sigh of relief. Prime

Minister Shamir quickly insisted that his government will never negotiate with the PLO. The reaction of the opponents toward the decision of the 19th session of the Palestine National Council [PNC] was also remarkable in the Arab countries and among the Palestinians themselves. Even on Wednesday [14 December], opinions expressing concealed triumph were voiced, saying that this was a fiasco for the PNC initiative. "The game is over; 'Arafat has convinced himself that concessions are not the path which leads to victory, not even to negotiations." According to these voices there is no alternative to consistent promotion of Arab nationalism.

The categorical reply of the international community to the recent American stance, which prevented 'Arafat from addressing the UN in New York, played an indisputable role in the change of the U.S. attitude. The deliberations, moved to Geneva, ended as a manifestation of international support for the realistic change in the policy of the PLO, support for convening an international conference on the settlement in the Middle East, and was attended by all involved parties, including the PLO. The recent model conference in Prague also proved to realistic forces that there exist enough points of contact which could lead to progress in negotiations.

It would be difficult for anyone to expect today that the practical policy of the United States vis-a-vis the Middle East concerning dialogue with the PLO could change as fast as it did from Tuesday [13 December] to Thursday [15 December]. However, even the suggestion that there are ambiguities involving agreement to a dialogue with the PLO on the one hand, and the official, open support for Israel on the other, means a lot. This is a success for the thousands of Palestinians in the occupied territories, who have risen with their bare hands and have been demonstrating their resistance to Israeli occupation for more than a year now. This is the successful line of the 19th PNC session. Israel, with its intransigence and rejection, remains isolated in the international community.

Editorial Comment on Dubcek in Italy

AU2212165488 Prague RUDE PRAVO in Czech
16 Dec 88 p 6

["RP"-signed article in the "In Reply to a Reader's Question" column: "On One Private Journey to Italy"]

[Text] **One of our readers inquires whether we shall write on Alexander Dubcek's journey to Italy and asks whether it is true that he joined the Franciscan Order while there. The reader points out that "even President Mitterrand"—as we have already reported—mentioned Dubcek at his press conference in Prague on Friday [9 December] and that Comrade Milos Jakes, too, spoke about him in his interview for LE FIGARO. He openly asks whether these are not signs suggesting A. Dubcek's return to public activity.**

The reply to this question cannot start out in any other way than by stating that Czechoslovak citizen Alexander Dubcek, first secretary of the CPCZ Central Committee in the years 1968 - 69, left for a **private** visit to Italy in November, from which he has returned to Bratislava where he lives. He was invited by the University of Bologna, which conferred upon him the honorary degree of doctor of political sciences, in recognition—as was explicitly stressed—of his activity in the year 1968. Dubcek was also received by the PCI scretary general and the pope invited him to the Vatican. We have already reported these facts in RUDE PRAVO, in the "They Said—They Wrote" column.

A. Dubcek's journey to Italy to receive the honorary doctorate of political sciences from the University of Bologna had been prepared by anticommunist centers for a long time. This is borne out by the content of the slanderous campaign conducted by bourgeois information media in Italy and other NATO countries from the time the conferment of the honorary doctorate was first announced up to the climax of the journey from 9 to 20 November 1988. On the occasion of the presentation of the degree, A. Dubcek delivered a speech containing his view of the events of 1968 and subsequent developments in our society; he compared restructuring in the USSR with the "Prague Spring" and launched an attack on the CSSR party and state leadership.

During the 14 days he spent in Italy, Dubcek also visited other cities, in addition to Bologna and Rome.

What were the main designs behind his invitation to Italy?

It is evident that in the year of the 20th anniversary of the crisis-ridden developments in the CSSR, certain circles in Italy were interested in bringing back the memory of 1968. The speeches that have been published reveal that Dubcek did not try to speak just on his own behalf, but that—as the Western press stressed—he arrogated the right to be the spokesman for the "486,000 former CPCZ members and all those who want the renewal of socialism."

The obvious endeavor of anticommunist centers was apparent to show Dubcek as the precursor of today's reforms in the USSR and in our country. The motif of a "living legend" and a "reformer" whose rehabilitation is supposedly inevitable if Czechoslovakia is to heal the wounds was therefore being elaborated in all kinds of variations on the pages of the bourgeois press.... Supposedly out of "fear" of fanciful repressive measures, Dubcek even omitted from his address at the Bologna ceremony passages that might be "dangerous" for him. There was also talk in the press of his fear that he might be barred from returning home. However, one cannot but describe all this as the political foxiness of the bourgeois press and its cynical hypocrisy, because the omitted passages had meanwhile been given to the press for publication and had been left out solely for reasons of time constraints. [vernacular version of the above sentence is ambiguous and also permits translation as "the political foxiness of the bourgeois press and his (that is, Dubcek's) cynical hypocrisy"] However, during his stay in Italy, Dubcek did not even once raise an objection to these deliberate pieces of misinformation.

The bourgeois press assiduously tried to turn a political castaway into a political martyr and Dubcek actively assisted in it. In his address at the University of Bologna, for example, he quoted the following words of the medieval philosopher Francis of Assisi: "Lord, grant me enough humility for me to bear things that I cannot change." Speaking to students of the faculty of political sciences at the University of Bologna, he tried to cast himself as someone who is profoundly disappointed by the development which socialism has taken. His entire address was imbued with the effort to convince his audience of his determination to continue to struggle for "socialism with a human face," despite all disappointments and personal humiliation.

He made several attempts at theoretically generalizing the social processes that take place in the world at present. Even the BBC radio station paused to ponder his reasoning, when it said, in its program of 21 November, that "in his hastily prepared speech, Alexander Dubcek voiced the admission, uncommon for a communist, that the classic doctrine about the inevitability of the extinction of capitalism is flawed...."

One more remark, on the margin as it were, about the Franciscan Order. Although Dubcek did not become a member of the Order of the Franciscans, he did honor the Franciscans in Assisi with his visit. "My being here," Dubcek told the city mayor (according to the BBC), "makes **all my dreams** come true." The Franciscan friars organized a "warm welcome" for him and, in parting with him, the administrator of the St. Francis Basilica expressed the wish, as the American UPI agency notes, that "Dubcek may remain a Franciscan forever," supposedly in the sense of "what he did in his country several years ago."

Only one question of the reader remains to be answered, concerning the possibility of A. Dubcek's return to political activity. The political responsibility of the former first secretary of the CPCZ Central Committee was adequately evaluated in the document "Lessons Drawn From the Critical Development in the Party and in Society After the 13th CPCZ Congress." As Comrade Milos Jakes stressed in his interview for the French paper LE FIGARO, "Alexander Dubcek is considered a private person in our country."

"Personally, I am convinced," Comrade M. Jakes went on to say in this interview, "that he will not play any major political role. The present situation is different from the situation 20 years ago, although there were a number of good intentions at that time. Life, however, cannot be evaluated on the basis of intentions, but according to results, according to realities. The difference between restructuring in the Soviet Union and the developments in Czechoslovakia in 1968 is that everything in the Soviet Union is taking place under the leadership of the Communist Party, on the basis of strengthening socialism, whereas in our country, despite all declared good intentions, the party had lost control over the development of events. Socialism had not been strengthened, but weakened."

The reply to the reader's closing question is therefore clear and unambiguous: Alexander Dubcek bears great and full personal responsibility for the fact that "socialism had not been strengthened, but weakened."

Slovak PRAVDA Reports on Human Rights Forum

AU1712164188 [Editorial Report] Bratislava PRAVDA in Slovak on 12 December carries on pages 1 and 2 reportage (totalling 5,100 words) on the session of the "Forum of the Czechoslovak Public," held in Prague on 10 December.

The 3,000-word CTK report is entitled "In the Interests of Trust and Cooperation; 'Forum of the Czechoslovak Public' on the 40th Anniversary of Universal Declaration on Human Rights" and sub-titled "Almost 700 Representatives of the Population Present; Inseparable Part of the Restructuring and Democratization of Our Society; Speech by Josef Mecl, Dean of the Law Faculty, Charles University; 23 Speakers in the Discussion; 'Committee of the Czechoslovak Public for Human Rights and Humanitarian Cooperation,' Headed by Chairman Zdenek Dienstbier, Set Up; 'Declaration of the Forum of the Czechoslovak Public.'"

After reporting on the opening speech by Bohuslav Kucera, member of the Central Committee Presidium of the CSSR National Front, CTK cites statements by individual speakers in the discussion. Among others, it cites Professor Karol Gabris, doctor of theology and moderator of the Committee of CSSR Church and Religious Personalities, who is said to have "stated that in socialist countries man's individual and social rights are observed in their unity, whereas in the capitalist states individual human rights are frequently asserted to the detriment of social rights. The forms in which human rights are asserted in our country cannot be judged by conditions prevalent under other systems. He recalled that if no valid law is violated, nobody may be discriminated against because of religious convictions—provided he or she is not guilty of something that has essentially nothing to do with religion, but is morally and politically erroneous."

Reporting on the statement made by Stefan Gyorgy, university lecturer from Bratislava, CTK says that he "spoke of the nationality issue in Czechoslovakia. The profound changes in the status of citizens of Hungarian nationality have resulted in their becoming a firm component of the fraternal community of nations and nationalities in the CSSR. Problems (which concern, for instance, the planning and advancement of certain zones) cannot be concealed—they must be solved."

The report states that the Forum decided to set up a "Committee of the Czechoslovak Public for Human Rights and Humanitarian Cooperation"; approved its 68 members; and adopted a "Declaration." The report also notes that Jan Pudlak, chairman of the Czechoslovak UN Association who chaired the afternoon session, asked 42 participants wanting to address the forum to place their texts at the disposal of the Committee; and states that the Committee elected a 18-member Presidium (to be chaired by Zdenek Dienstbier) at its first session on the same day.

The CTK report also includes the 100-word text of the Forum's message to the Soviet people (commiserating with them on the "tragic natural catastrophe in Soviet Armenia and other affected areas"); a 120-word report on the interview granted by Z. Dienstbier to Czechoslovak journalists; and a 1,300-word report on the speech delivered to the Forum by Josef Mecl, dean of the Faculty of Law of Charles University in Prague.

On page 2 the paper carries a 1,200-word list of members of the "Committee of the Czechoslovak Public for Human Rights and Humanitarian Cooperation" and a 250-word list of the 18 members of the Committee Presidium and their titles.

Neighbor States Invited to Ecology Conference

LD2212205688 Prague CTK in English
1825 GMT 22 Dec 88

[Text] Prague Dec 22 (CTK)—Czechoslovak Foreign Minister Jaromir Johanes today gave to diplomats from neighbouring states letters inviting their prime ministers to Prague for a meeting on ecological problems.

The letters from Czechoslovak Premier Ladislav Adamec, handed to the ambassadors of Hungary, the Federal Republic of Germany and Austria, and the charges d'affairs of the German Democratic Republic, Poland and the Soviet Union, invited the premiers of these states to Prague for a short working session at the beginning of March next year to discuss possibilities of efficient international cooperation in the sphere of ecology.

Jaromir Johanes told the diplomats that the invitation was motivated by the sincere effort of the Czechoslovak Government and the entire public to play an active role in a joint solution of ecological problems in central Europe. These problems are pressing and their solution essentially requires international cooperation, he stressed.

The Czechoslovak premier's intiative proceeded from the fact that Czechoslovakia shares the living environment with neighbouring states and wants to find together with them ways to protect it. "We do not want problems concerning the purity of waters and the air to divide us, to be a cause of misunderstanding and to harm good neighbourly relations," Jaromir Johanes said and voiced the conviction that intensive cooperation can be conducive to solutions suiting all countries concerned.

The foreign minister confirmed the Czechoslovak Government's readiness to help solve joint ecological problems and thus help create relations of confidence and strengthen security in Europe.

Leaders' Public Appearances for 8-14 Dec

AU1612134188 [Editorial Report] Prague RUDE PRAVO in Czech from 9 to 15 December reports the following appearances of CSSR leaders (sourceline of each report is given in parentheses):

A gala dinner given by Gustav Husak in honor of French President Francois Mitterrand in Prague on 8 December was attended by Frantisek Hanus, Milos Jakes, Ladislav Adamec, Vasil Bilak, Josef Kempny, Jozef Lenart, Frantisek Pitra, Miroslav Stepan, and Miroslav Zavadil. (9 Dec 88 p 2)

A gala dinner given by Viliam Salgovic in honor of French President Francois Mitterrand in Bratislava on 10 December was attended by Gustav Husak, Ignac Janak, Jaromir Johanes, and Ivan Knotek. (10 Dec 88 p 2)

The foundation stone-laying ceremony for a hotel to be built in CSSR-French cooperation in Prague was attended on 8 December by Miroslav Stepan and Karel Urbanek. (9 Dec 88 p 8)

Francois Mitterrand's and Gustav Husak's welcome at Bratislava Castle on 9 December was attended, among others, by Ignac Janak and Jaromir Johanes. (10 Dec 88 p 1)

Gustav Husak, CPCZ CC Presidium member and CSSR president, received Jarolim Klabnik, the newly appointed CSSR ambassador to Spain, in Prague on 14 December. (15 Dec 88 p 1)

Vasil Bilak, Presidium member and secretary of the CPCZ CC, was present at talks conducted by Milos Jakes, CPCZ CC general secretary, with French President Francois Mitterrand in Prague on 8 December. (9 Dec 88 p 2) Bilak presented to Zdenko Cheben the Order of Victorious February in Prague on 8 December. (9 Dec 88 p 8) Bilak presided over the constituent session of the CPCZ CC Commission for Foreign Policy in Prague on 12 December. (13 Dec 88 p 2)

Ignac Janak, CPCZ CC Presidium member and first secretary of the CPSL CC, attended and addressed a session of the Slovak National Front CC in Bratislava on 12 December. (13 Dec 88 p 2)

Josef Kempny, CPCZ CC Presidium member and chairman of the Czech National Council, saw off a Jovic-led Serbian Assembly delegation at Prague Ruzyne Airport on 8 December. (9 Dec 88 p 8)

Jozef Lenart, member of the Presidium and secretary of the CPCZ CC, received John Cormack McKenzie, general secretary of the World Federation of Engineering Organizations (WFEO) in Prague on 8 December. (9 Dec 88 p 8)

Miroslav Stepan, CPCZ CC Presidium member and leading secretary of the Prague CPCZ City Committee, acquainted himself with the progress of the construction work on the expansion of RUDE PRAVO building in Prague on 12 December. (13 Dec 88 p 2)

Jaromir Johanes, CSSR minister of foreign affairs, was among those who accompanied Francois Mitterrand to lay a wreath at the Tomb of the Unknown Warrior at Zizkov Hill in Prague on 8 December. (9 Dec 88 p 1) Johanes was present at talks conducted on two different occasions by Husak and Adamec with Mitterrand in Prague on 8 December. (9 Dec 88 p 2) Johanes attended a consultation of ranking personnel of the CSSR diplomatic service in Prague on 12 December. (13 Dec 88 p 1) Johanes received Turkish ambassador Orhan Aka in connection with the latter's approaching end of his tour of duty in the CSSR, in Prague on 14 December. (15 Dec 88 p 2)

Karel Urbanek, CPCZ CC Presidium member, expressed on behalf of the Czech working people condolences to the USSR Embassy in connection with the earthquake in Armenia, in Prague on 12 December. (13 Dec 88 p 2) Urbanek presided over a meeting of the Czech National Front CC in Prague on 14 December. (15 Dec 88 p 2)

Schuerer Receives USSR Planning Official

AU2112230088 East Berlin NEUES DEUTSCHLAND in German 17-18 Dec 88 p 2

[Text] East Berlin (ADN)—On Friday [16 December] in Berlin Gerhard Schuerer, candidate member of the SED Central Committee Politburo, deputy chairman of the Council of Ministers, and chairman of the GDR State Planning Commission, had a cordial meeting with Genrikh Stroganov, deputy chairman of the USSR State Planning Committee.

Proceeding from the working meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, this September, both sides stressed the utmost importance of the successful development of mutually beneficial economic and scientific-technological cooperation. The talk focused on further cooperation in machine building and in electrical engineering and electronics.

The joint efforts are aimed at considerably expanding specialization and cooperation in these decisive areas through the coordination of the 1991-95 national economic plans, in particular with regard to the development and application of microelectronics, modern computer technology, and comprehensive automation. In accordance with the requirements of the national economies of the GDR and the USSR, the exchange of products of machine building and electrical engineering and electronics will be considerably expanded, the interlocutors stated.

Through more intensive joint use of the scientific-technological and production potential, an important contribution to the further successful implementation of the decisions of the 11th SED Congress and the 27th CPSU Congress and the stipulations of the 19th all-union conference. This serves the welfare of the peoples of the GDR and the USSR and the further strengthening of socialism.

The meeting was attended by Vyacheslav Kochemasov, USSR ambassador to the GDR, and other public figures.

USSR-GDR Economists' Committee Holds Session

AU2212083288 East Berlin NEUES DEUTSCHLAND in German 17-18 Dec 88 p 3

[Excerpts] East Berlin (ND)—The 13th session of the USSR-GDR Economists' Committee took place in Berlin from 13 to 16 December. Under the chairmanship of Valentin N. Kashin and Helmut Koziolek, economists from both countries discussed ways to increase labor productivity under the conditions of the scientific-technological revolution.

The first main lecture by Professor Kashin and the Soviet contributions to the discussion focused on tasks that have to be solved in the Soviet Union in implementing the decisions of the 27th CPSU Congress and the 19th All - Union Conference with regard to restructuring the Soviet economy.

Particular importance was attached to factors of labor productivity increase, such as motivating the working people, modernizing machinery and equipment, mastering and accelerating the innovation processes from the economic point of view, increasing importance of subjective factors, and other socioeconomic motive forces of growth in accelerating scientific-technological progress.

In addition, the Soviet economists discussed the necessity of expanding and deepening economic basic research on the theoretical grasping of the newly matured questions of socialist economic management. [passage omitted]

At the end of the 4-day conference, a program on theoretical cooperation within the framework of the USSR - GDR Economists' Committee through the year 2000 was signed.

Contract on Oil Deliveries Signed With USSR

AU2712121188 East Berlin NEUES DEUTSCHLAND in German 23 Dec 88 p 2

[Text] Schwedt (ADN)—Proceeding from the agreements in the protocol on trade between the GDR and the USSR for 1989, on Thursday [22 December] in Schwedt Werner Frohn, director general of the VEB Petrochemical Combine, Schwedt, and Yuriy Kharlamov, deputy director general of the Soviet All-Union Association Soyuznefteeksport, signed a contract on the purchase of 17.1 million tonnes of crude oil in 1989. On this occasion, the partners to the contract paid tribute to the putting into operation of the "Friendship" oil pipeline 25 years ago, which has stood its test as an efficient transportation technology, and is extremely advantageous for both parties.

Honecker Message to FRG's Brandt on Birthday

AU2112225588 East Berlin NEUES DEUTSCHLAND in German 17-18 Dec 88 p 2

[ND report: "Erich Honecker's Congratulations to Willy Brandt on his 75th Birthday"]

[Text] East Berlin—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, has sent the following congratulatory message to Willy Brandt, former FRG chancellor, honorary SPD chairman, and president of the Socialist International, on his 75th birthday on Sunday [18 December]:

Esteemed Mr Brandt:

I convey my most cordial congratulations to you on your 75th birthday.

With pleasure I remember our meeting in the FRG and your visit to the GDR. These meetings and our meeting in Belgrade affirmed my conviction that you have made a contribution to peace, cooperation, and to a peaceful East - West dialogue that cannot be estimated highly enough. I wish you much success in the future as president of the Socialist International and honorary SPD chairman.

Please, accept my sincere wishes for good health, creative energy, and personal well-being.
Yours sincerely,
E. Honecker.

Honecker Greets Helmut Schmidt on Birthday

AU2712120588 East Berlin NEUES DEUTSCHLAND in German 23 Dec 88 p 2

[ND report: "Congratulations on Helmut Schmidt's 70th Birthday"]

[Text] East Berlin—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, to former FRG Chancellor Helmut Schmidt in Hamburg:

Esteemed Mr Schmidt:
On the occasion of your 70th birthday, I convey to you my cordial greetings and congratulations.

On this day I fondly remember our mutual efforts to make peace and the relations between the GDR and the FRG more fruitful. You have made a great contribution to this.

Please accept my sincere wishes for good health, creative energy, and personal well-being.
With best wishes,
E. Honecker.

Scientific Accord With FRG Signed

AU2712121588 East Berlin NEUES DEUTSCHLAND in German 23 Dec 88 P 5

[Text] East Berlin (ADN)—Werner Scheler, president of the GDR Academy of Sciences, and Hubert Markl, president of the German Research Association, Bonn, signed an agreement on scientific cooperation in East Berlin on Thursday [22 December]. The accord, which is valid for 5 years, envisages the exchange of scientists, the promotion of joint research projects, and the exchange of scientific information.

With the signing, Hubert Markl, who stayed in the GDR at the invitation of Academy President Scheler, concluded his 2-day visit. He was received by, among others, Klaus Stubenrauch, state secretary in the Ministry of Science and Technology, with whom he held a talk on the development of scientific-technological relations between the GDR and the FRG since the conclusion of the 8 September 1987 agreement between both governments on cooperation in these fields.

UN Representative on UNGA Sessions' Results

AU2912114388 East Berlin NEUES DEUTSCHLAND in German 24-25 Dec 88 p 6

[Excerpts] The sessions of the 43d UN General Assembly have been concluded with an overall positive balance sheet. Decisive contributions to this were made by the specific and realistic initiatives of the socialist states, their traditionally close cooperation with the nonaligned countries and other forces that are interested in achieving understanding among peoples on the basis of shared or similar views. This was stated by Ambassador Siegfried Zachmann, permanent GDR representative to the United Nations, in an interview with ND and ADN correspondent Fred Boettcher.

Allowing No Pause in the Disarmament Process

The UN General Assembly sessions, during which 150 issues were discussed, were characterized by a businesslike working atmosphere, Ambassador Zachmann pointed out. The impact of the positive developments that are under way despite the complicated international situation was felt. A growing understanding for the interrelationship between disarmament, the settlement, and prevention of conflicts, democratic restructuring of international economic relations, the protection of the environment, the observance of human rights, and the strengthening of international law became clear.

Erich Honecker's assessment, expressed at the Seventh SED Central Committee Session, that "a shift from confrontation toward detente is obviously taking place, even if this process is not free from attempts made by those who are opposed to ridding the world of nuclear weapons by the year 2000," was fully confirmed by the results of the General Assembly sessions, the permanent UN representative of the GDR pointed out. Numerous representatives of states viewed the confirmation of the policy of nuclear deterrence by the NATO foreign minister at their fall meeting as such an attempt.

The speech by Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, was one of the highlights of the General Assembly sessions. The far-reaching proposals that had been coordinated with the socialist allies and the new significant advance concessions met with the broad approval of the United Nations, Siegfried Zachmann stated. Calls for an adequate response by the Western side have repeatedly been expressed.

The discussions were characterized by the increasing commitment of the member states to the United Nations and and its goals. Important impulses have been provided by resolutions that were adopted unanimously or with an overwhelming majority which will help make the discernible improvement in international relations irreversible. [passage omitted]

The sessions have shown that practically all UN member states are in favor of settling regional conflicts exclusively by peaceful means, through negotiations. The great peace potential of the United Nations becomes obvious in this connection. "The course and the results of the debate on Palestine and the Middle East represent a significant success for the PLO, the sole legitimate representative of the Palestinian people. In reply to the refusal of the visa for PLO Chairman Yasir 'Arafat by the United States, the UN General Assembly transferred the debate on the Palestine issue to the UN headquarters in Geneva. There Yasir 'Arafat had the possibility of explaining the PLO's constructive standpoint. The five resolutions that have been adopted stress the urgency of a just and comprehensive solution to the Middle East conflict, with the Palestinian issue being the central problem, and contain the steps that are to be taken in the near future. The GDR is one of the co-authors of these resolutions," Ambassador Zachmann pointed out. [passage omitted]

Church Paper Delayed by Censorship

AU3012081588 Vienna Domestic Service in German 0600 GMT 30 Dec 88

[Barbara Coudenhove-Kalergi report]

[Excerpt] The latest edition of the East Berlin weekly of the Evangelical Church, DIE KIRCHE, has once more reached its 45,000 readers with a delay. The reason is that two articles had to be removed on the order of the censorship authorities. This is the 15th time this year that the authorities have censored the paper. [passage omitted]

Honecker Receives FDJ Officials

LD2212105188 East Berlin ADN International Service in German 0946 GMT 22 Dec 88

[Text] Berlin, (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, and members of the FDJ secretariat this morning met for an exchange of opinions. At the center of the comradely discussion were the socialist youth organization's activities in preparation for the 12th SED Congress. This discussion also included results of an experiences in the FDJ's GDR 40 Pledge.

Honecker Addresses FDJ Secretariat

LD2212213388 East Berlin ADN International Service in German 1651 GMT 22 Dec 88

[Text] Berlin (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, exchanged views today with the Secretariat of the FDJ Central Council on the youth organization's activity in preparation for the 12th SED Congress.

Erich Honecker praised the performances of the young people and thanked all members of the FDJ and the "Ernst Thaelmann" Pioneer organization for their contribution to the allround strengthening of the GDR. In this way the history of the united socialist youth organization, which is rich in experience, is being succcessfully continued and the "vow of the Germand youth" of 11 October 1949 to be the architect of our new house of peaceful work and militant humanity and to protect this house of ours from all attacks is being loyally maintained.

The 12th SED Congress, to be held in 1990, will deal with the tasks of further shaping a developed socialist society in the GDR on the threshold of the new millenium, Erich Honecker continued. The SED, always applying the dialectic of continuity and renewal, is proving itself in the struggles of our time, too, to be the party of the innovators, and, as Lenin said, the future belongs to the innovators. In this the party bases itself particularly on the work of the founders of scientific socialism, Karl Marx and Friedrich Engels.

Marx and Engels had clarified the role of the party in a form which, under other conditions, is still valid today. By revealing the laws of social development and with their works they had rendered an immeasurable service to the labor movement, and indeed to all the peoples of the world and their youth. They thus made possible at any point in time a reliable analysis of social development and the revolutionary policy of the party of the working class to be derived from it.

The SED has always acted in accordance with the proven principle of including youth as active collaborators in all questions of social development and of placing great trust in it and entrusting it with great responsibility, Erich Honecker stressed.

Lasting successes in youth policy are inconceivable without a united socialist youth organization that has clear political goals. How an FDJ basic organization works and how it exercises its attraction on youth says a lot about how the relevant party organization is meeting its responsibility toward youth.

Referring to GDR youth's will for peace and commitment to peace, Erich Honecker reaffirmed that the GDR will continue to do everything possible to continue without a break the disarmament process that has been started and to further develop the positive trends that have begun to manifest themselves in international events through continuation of the policy of dialogue.

The announcement by Mikhail Gorbachev to the 43d United Nations General Assembly about the unilateral reduction in Soviet armed forces of 500,000 men and the relevant weapons and the withdrawal agreed with the allies of 5,000 tanks and 50,000 men from the GDR, the

CSSR, and Hungary again testify to the seriousness and determination with which the Soviet Union and the other Warsaw Pact states are following the path of disarmament and detente.

The GDR will continue to meet its particular responsibility in the heart of Europe on the dividing line between the two largest military blocs with its own initiatives for the safeguarding of peace and for strengthening the forces of reason and realism.

Not least, the recent 3d meeting of the international preparatory committee for the 13th world youth and student festival in Pyongyang in 1989 had made clear the FDJ's great commitment and high authority in the struggle of democratic world youth for peace, friendship, and antiimperialist solidarity.

Honecker urged the FDJ to further deepen the traditional friendship relations with the Lenin Komsomol and to further develop cooperation with youth organizations of the other socialist countries in order to mobilize youth for the expansion of economic and scientific-technological cooperation in the CEMA. Collaboration with Polish youth has been given a strong impetus by the signing in June of the "Friendship Treaty of the Youth of the GDR and Poland", and the 412,000 participants in this year's children and youth exchange are impressive testimony to this.

Touching on the results and tasks of national economic development, Erich Honecker said: The entire people has achieved great things, which not even the most committed opponent of socialism on German soil can deny. Of course, much remains to be done to bind the achievements of the scientific-technological revolution ever more closely with the advantages of socialism. Comprehensive intensification, a rapid increase in labor productivity through world standards in science and technology, the mass and economically effective use of key technologies—these are the decisive pillars of future growth in performance and also the great challenges to the readiness for achievements and the creativity of the young generation.

The FDJ has great responsibility for the active and conscious collaboration of youth in the further improvement of socialist democracy, Erich Honecker said. Strengthened commitment to work with all young people helps this, as does a more professional awareness of all the democratic rights and obligations of young people by FDJ officials and responsible preparation for next year's local elections.

Erich Honecker described as a particularly valuable tradion the FDJ's sponsorshp of the GDR's armed forces. At all times worker and peasant power is ready to defend its revolution, and no one will ever be allowed to encroach on the achievements of socialist development on German soil. Military service under socialism is peace service, and as a consequence of this the FDJ feels that it shares responsibility for the young men who have chosen a military career.

Erich Honecker stressed that one of the advantages of socialist society is that the young generation has many possibilities, which can be expanded still further, for a meaningful organization of leisure time with culture, sport, and tourism. One must always be aware that, in the sphere of leisure especially, new and various needs develop and always take into account the liberal-minded conditions in the GDR in shaping a socialist way of life among youth. He urged the FDJ to continue to cultivate its trusting collaboration with young artists and creative people and to intensify it.

Youth meetings have a long and good tradition in the history of the FDJ and the GDR, Erich Honecker stressed. Thus, the 1989 "Whitsun Meeting of the FDJ" in Berlin will be a demonstration of youth for socialism and peace, a performance show by the youth organization, and a joyful festival with an exceptionally great national and international effect.

Eberhard Aurich, first secretary of the FDJ Central Council, spoke about the youth organization's plans in preparation for the 40th anniversary of the GDR and the 12th SED Congress. This further meeting with the SED general secretary is a further great demonstration of confidence in the socialist youth organization, which represents the interests of all young people and which unites 76 percent of all young people in the GDR in its ranks.

The FDJ sees it as a great responsibility to contribute with political-ideological work that is true to life to ensuring that the 1.7 million young and first-time voters consciously proclaim with their votes in the local elections on 7 May 1989, just like the participants in the Whitsun meeting in Berlin 12-14 May, that the youth of the GDR stand firmly by the positions of socialism, are true to their socialist fatherland, and are fighting alongside the party for peace and socialism.

GDR youth is happy that the founders of the FDJ, under the guidance of Erich Honecker, drew the lessons of history and fought for a strong and united youth organization and built it up. He said he can guarantee that in the final years of the century, too, the youth, under the leadership of the SED, will be able to realize their basic interest—a strong socialism and a secure peace.

Kessler Discusses Central Committee Session

AU2212085888 East Berlin NEUES DEUTSCHLAND in German 17-18 Dec 88 p 2

[Text] East Berlin (ADN)—At a conference on Friday [16 December] party activists of the National People's Army, the GDR border troops, and the civil defense, with Army General Heinz Kessler, member of the SED Central Committee Politburo and minister of national defense, evaluated the seventh Central Committee session. The participants noted that the plenum, in particular the speech of SED Central Committee General Secretary Erich Honecker, is a guideline for the people's soldiers in their work to fulfill the class assignment with many initiatives. Through high daily performances they want to contribute to strengthening socialism and to safeguarding peace. Referring to the responsibility of the Communists, and the party and political organs, it was stressed that the core of party work is effective ideopolitical work.

In order to implement the GDR's peace course, it is necessary to always guarantee militant strength and defense readiness at the required level. The far-reaching peace initiatives of the Soviet Union, which have been coordinated with the Warsaw Pact states, have met with a broad response both by the working people and the members of the armed forces.

In his speech, Colonel General Horst Bruenner, deputy defense minister and chief of the Political Main Administration of the National People's Army, stressed that the GDR citizens and their soldiers should not overlook the still existing dangers to peace. Therefore, it remains an important assignment to reliably protect the socialist achievements at all times with the members of the Soviet Armed Forces and the other fraternal armies. The way of intensifying the processes of leadership, training, and safeguarding has to be continued, he noted.

Stoph Hears About Technological Development

LD2112233188 East Berlin ADN International Service in German 1546 GMT 21 Dec 88

[Text] Berlin (ADN)—GDR Prime Minister Willi Stoph heard about the outstanding results of basic research, aimed at achieving far-reaching progress in the development and application of key technologies, in the Berlin-Adlershof research complex of the GDR Academy of Sciences. [passage omitted]

In an ensuing exchange of views Willi Stoph said that it is a task of high priority to concentrate the academy's great potential more effectively on the lead that is decisive for the growth of economic performance. The results achieved and the experience gained provide good starting positions to increase decisively the knowledge gained and to achieve better qualitative development of research cooperation with the combines.

The most important thing here is to achieve the highest creative level and commitment to transfer the latest knowledge into new products and technologies, which make possible high increases in labor productivity and a significant lowering of the consumption of energy and material. In this it is in the interests of the growing social effectiveness of the academy, on the basis of joint research strategies and relevant contracts with the combines, both to shape further the goals of advance research and to promote the rapid and broad utilization of their research results in the national economy in a sustained manner.

With its interdisciplinary work by natural and social scientists the academy also bears great responsibility for preparing decisions on the long-term development of science and technology in the GDR.

Leaders' Public Appearances for 14-20 Dec

AU2312165388 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German from 15 to 21 December reports the following public appearances of GDR leaders (date of publication and page number in parentheses):

Politburo member Hermann Axen received representatives of U. S. peace movements delegations in Berlin on 19 December. (20 Dec, p 2)

Army General Heinz Kessler, member of the SED Central Committee Politburo and defense minister, discussed Central Committee session results with party activists of the National People's Army in Berlin on 16 December. (17-18 Dec, p 2)

Politburo member Egon Krenz received a delegation of the Indian National Congress in Berlin on 15 December. (16 Dec, p 2)

Politburo member Werner Krolikowski received a PZPR study delegation in Berlin on 15 December. (16 Dec, p 6) Krolikowski also attended a delegates' conference of cooperative peasants in Reichenbach on 19 December. (20 Dec, p 1)

Politburo member Siegfried Lorenz addressed an SED bezirk leadership meeting in Karl-Marx-Stadt on 16 December. (17-18 Dec, p 2)

Politburo member Guenter Schabowski addressed a meeting of party veterans and FDJ members in Berlin on 15 December. (16 Dec, p 8) Schabowski also attended a meeting between Erich Honecker and Miroslav Stepan, member of the CSSR Central Committee Presidium in Berlin on 20 December. (21 Dec, p 1)

Politburo candidate member Gerhard Schuerer received Genrikh Stroganov, deputy chairman of the USSR State Planning Committee, for talks in Berlin on 16 December. (17-18 Dec, p 2)

Politburo member Harry Tisch attended a shop stewards meeting in the Rathenow Optical Works on 19 December. (20 Dec, p 1)

Government To Begin Unemployment Aid 1 Jan
LD2912181188 Budapest MTI in English
1730 GMT 29 Dec 88

[Text] Budapest, December 29 (MTI)—At its last session of the year, the Council of Ministers passed a resolution on the introduction of unemployment aid from January 1, 1989—said, among other things, Gyorgy Marosan, spokesman of the Hungarian Government, and Csaba Halmos, president of the State Office for Wages and Labour, who briefed journalists on Thursday afternoon following the session.

As introduction, Mr Halmos stressed that the government continues to declare the principle and necessity of active employment policy, and does everything possible to enforce it. It encourages retraining, supports the creation of jobs and finances, and the financial support of citizens who temporarily become unemployed.

Those who lose their jobs will receive unemployment aid from January, 1, 1989, from the employment fund of 2,400 million forints. A condition is for labour relations to have been terminated not more than one year ago, that the worker requesting unemployment aid had worked for at least 18 months in the past three years, and that the person in question had registered at the employment agency. In answer to a question by MTI's staff-member, Mr Halmos said: Persons seeking jobs have to accept the job which accords to their level of qualification, which they can fulfil without impairing their health, and the salary of which accords to the sum of the unemployment aid due them. This sum is 50-70 per cent of the last monthly wage of the worker. The aid is provided for one year, but its amount decreases by 10 per cent after the first six months.

Mr Halmos also said that in the first half of 1989, young persons beginning their careers, young homemakers, and entrepreneurs who are unsuccessful will not receive unemployment aid. In their case, the State Office for Wages and Labour will submit a proposal to the government in the first quarter of 1989.

The government heard a report by Imre Pozsgay on the information policy college to be set up. This will have an advisory role, and its members will include the minister of state in charge, the spokesman of the government, the editors-in-chief of the Hungarian news agency MTI, Hungarian radio, Hungarian television, and the central dailies. Representatives of the alternative organizations will also be invited to the sessions, depending on the themes.

The Council of Ministers was briefed on the picture the public has formed about the government in the past year, on the basis of public opinion polls, by Imre Pozsgay. The government stated that 55 per cent of the public supports the consolidation that can be attained with the restrictions expected in the short-term, and 35 per cent are of the opinion they do not wish to be placed in a more difficult situation than at present, even in the short range, not even if this means the foundation for the eventual more dynamic development. The public welcomed the extension of freedom rights, the elaboration of the right of assembly and association, and the appearance of the alternative organizations. However, it rejected the price hikes, the devaluation of the forint, and the introduction of the personal income tax.

In conclusion, answering a question, Mr Marosan summarized the year 1988 as follows: The most important result is that what we feared did not materialize. Mass unemployment did not come about, there was no price explosion, and the inflation index is only 1.5 per cent higher than planned.

Nemeth Awards Trombitas on Retirement
LD2912194188 Budapest MTI in English
1824 GMT 29 Dec 88

[Text] Budapest, December 29 (MTI)—The Council of Ministers has relieved Brigadier General Dezso Trombitas, deputy minister and secretary of the Defence Committee of the Council of Ministers, from this function, in view of his retirement, with due recognition of his merits, as of December 31.

The Presidential Council has awarded Dezso Trombitas the Order of Star of the Hungarian People's Republic adorned with swords, in recognition of his activity.

The decoration was presented by Miklos Nemeth, chairman of the Council of Ministers.

Accident With Soviet Military Vehicle Reported
LD2912161288 Budapest MTI in English
1530 GMT 29 Dec 88

[Text] Budapest, December 29 (MTI)—For reasons unknown, on Tuesday [27 December] a Soviet military vehicle drove over to the left side of the road near Vitnyed, County Gyor-Sopron, and crashed into a car driven by Imre Kalmar, a 28-year-old mechanician from Szekesfehervar. Mr Kalmar died on the spot, two of his passengers were gravely injured, and one passenger slightly wounded. Investigation is under way.

Government Favors CSSR Environment Initiative

LD2212032988 Prague CTK in English
1944 GMT 21 Dec 88

[Text] Warsaw Dec 21 (CTK correspondent)—The call of Czechoslovak Prime Minister Ladislav Adamec for more effective international cooperation in environmental protection, made at the Czechoslovak Communist Party Central Committee session in Prague last week, met with a positive reaction of the Polish Government.

Polish Government Spokesman Jerzy Urban told CTK here today that the Polish Government "favours each initiative aimed at the solution of ecological problems. Poland has always favoured the solution of these questions. An expression of this was the Polish initiative, according to which the deputy premiers of Czechoslovakia, the GDR and Poland were to meet and sign a trilateral agreement on environmental protection. Poland wants these problems to be solved on the regional scale as well as by bilateral agreements", the spokesman said.

Walesa Holds Gdansk Press Conference

LD2912185488 Warsaw Television Service in Polish
1830 GMT 29 Dec 88

[Text] Lech Walesa, speaking at a press conference held at St Brygyda's Church in Gdansk, answered journalists' questions about political pluralism, the reforms being introduced in Poland, and his trip to France. It emerges from his answers that Lech Walesa's standpoint regarding political pluralism remains unchanged. He is looking for compromise solutions, which would save Poland from anarchy. He also stated that even if pluralism wins there would be no immediate effect, and the situation would even be worse. In a short time, there will be a dip [dolek], so it will be all the more necessary to take responsibility. Lech Walesa also stated that it is necessary to find new methods of struggle, for we will not solve Poland's problems by throwing stones.

Reportage on 10th PZPR Plenum Continues

Jaruzelski Statement

AU2912202688 Warsaw TRYBUNA LUDU in Polish
22 Dec 88 p 1

[Report signed "Anna Pawlowska, Krystyna Chrupek": "Wojciech Jaruzelski Statement for TRYBUNA LUDU and RZECZPOSPOLITA"]

[Text] It is difficult to talk of achievements by the first part of the 10th PZPR Plenum without mentioning the preparations for it. These preparations were no less important than the plenum itself. Many hopes have been attached to the plenum. These hopes stem from the generally observed need for profound changes in the party and its work in order to reform other spheres of life. Therefore the temperature of the debate rose, and the mass media, including our paper TRYBUNA LUDU as well as RZECZPOSPOLITA, had a major part to play.

The debate provided suggestions for ways of finding solutions. That is what we have achieved so far. The plenum approved and praised the theses [of the Politburo], which is a good basis for continuing the offensive of transformations.

Now we would like the fruits of this plenum to reach the lowest party levels as quickly as possible and revive their activity, encouraging them to consider and even alter their methods of work.

Although an interest in the sweeping changes inside the party leadership is important, it should not obscure the need to quickly introduce the conclusions provided by our debate into the entire party's ideological-political circulatory system.

The holidays and the new year are approaching, and this period does not exactly encourage party work. However, it should not prevent thinking, especially about ways of making the party impervious to frustration and pressure and arm it for the struggle to achieve accord. The stronger the party, the more effectively it can promote national accord.

Baka Addresses Plenum

AU2912155188 Warsaw TRYBUNA LUDU in Polish
21 Dec 88 pp 3, 4

[Speech by Wladyslaw Baka, PZPR Politburo member and Central Committee secretary, at the 10th PZPR Central Committee Plenum in Warsaw on 20 December: "Some Aspects of the Economic Situation and Resultant Conclusions"]

[Text] Every December, it is normal for the Central Committee to examine the drafts of basic economic plans for next year. Due to obvious circumstances, such as the change of government, work this year on the 1989 Central Annual Plan, state budget, and other important documents was held up. Although these documents were placed before the Sejm 3 days ago, that does not mean that the Central Committee has already decided on next year's economic policy. The Eighth Central Committee Plenum, charged with the task of preparing the national economic consolidation plan, called for a concentration of forces and resources in order to improve the market, curb inflation, and break the deadlock in housing construction. It indicated the priorities of agricultural development, environmental protection, and austerity with fuels and energy.

On the basis of the opinions and conclusions of Central Committee members, the Economic Policy Commission, party voivodship and factory committees, social organizations, experts, and nonparty aktivists, the principles of the economic consolidation plan were worked out. The Politburo adopted them on 18 October, after which they were placed before the Sejm.

The time since the eighth plenum confirms the appropriateness of these assessments and paths of action. But it has also shown how difficult it is to adjust economic policy, especially when prices and incomes have to be adjusted as well.

The report on the economic situation between January and November 1988, presented at today's plenum, shows the complexity of our economic problems. If we accepted the growth in production as a criterion for assessing economic performance, then the assessment would be a favorable one. Not many countries can boast an almost 6 percent growth in industrial output, 7 percent growth in productivity, and 11 percent growth in exports in only 11 months. Capital spending has also increased considerably.

All this goes to show that our economy is not stagnant and that, from the point of view of production, it is energetic.

But there is also another side of the coin. In those spheres that have the greatest bearing on the needs of working people and social climate, not only has there been no improvement, but, on the contrary, things have deteriorated. I have in mind the market, inflation, and housing construction.

The Politburo theses say outright that "eliminating queues in front of shops and filling shop shelves is the basic condition that has to be fulfilled if society is to have confidence in our system." Further on, it says: "The economic sphere and its influence on daily life are socialism's major battlefront." These are appropriate and important words, all the more so because we cannot shirk from presenting the situation and dangers openly, however difficult it is to do so and however great the dangers are.

The eighth plenum announced a further Z500 billion worth of goods for the market, but it also pointed out that the effect of this will be negligible unless there is a restriction on the quantity of money for which there is no backing in the form of goods and services. Unfortunately, the effect of these extra goods did turn out to be negligible. Even though about $220 million worth of goods and raw materials have been imported, even though many voivodships have increased production for the needs of the market and stepped up food processing on the basis of local resources, and even though in the second half of the year the market received this Z500 billion worth of goods, the excessive issue of money has canceled out the effects of all these supply operations.

In July and August, the Politburo and Central Committee examined the proposal to freeze prices and wages for a time. However, the government argued that there are better ways to improve the situation, so this proposal was abandoned. However, time has shown that there are no better ways after all, and the situation deteriorated from one month to the next. Wage increases and the issue of money went far beyond the permissible limit. Stocks of goods are much higher than the amount required for an efficient functioning of the retail trade. Foreign currency exchange rates against the zloty have reached absurd proportions.

This information should come as no surprise. It should not cause panic and make people dream up dismal scenarios. These are facts that cannot be ignored, and cannot be glossed over in 1989 economic policy.

The positive and the negative experience of the past few weeks shows that the eighth plenum correctly defined the paths of action necessary to heal the Polish economy. These paths of action were then incorporated in the principles of the national economic consolidation plan. This plan should break the material barriers that hamper economic growth, and overcome society's feeling of impotence. Our strategy of action concentrates on a development of enterprise and initiative, equal treatment for all economic sectors, and an expansion of production. Our aim is to alter the economic management philosophy; to do away with the philosophy of restriction, concessions, and control, and replace it with active encouragement to increase production.

We believe that the state should make fewer decisions, but it should make better ones and do so more quickly. It should permit people to act for the sake of their own interests, but it should also accord help to those who need it. We note with satisfaction that this is the direction in which the government's work is heading, and that, as a result, society is becoming more optimistic and believes that things can indeed improve.

Another path of action is to direct material resources and other factors of production to those spheres that will provide the greatest results. Priority spheres are agriculture, housing construction, and environmental protection—priorities that are questioned by no one. These priorities are reflected in the plan. At the same time, we have to implement a major austerity program involving fuels and energy, achieve scientific progress, and modernize the economy. Our investments policy must concentrate on these spheres.

We aim to permit a proper functioning of market principles. In particular, we wish to heal the financial system and strengthen the zloty as a national currency.

Finally, we want to open wide the Polish economy to the world. In this context, we wish to expand comprehensive economic and scientific cooperation with the Soviet Union and other socialist countries. We are already restructuring the economy and introducing important new legislation, such as a law on companies based on foreign capital. We also perceive a need to increase cooperation with the capitalist countries, and are striving to normalize our financial-credit relations with them.

The principles of the national economic consolidation plan have met with a positive reaction from the party and society, and now form the backbone of economic policy and systemic changes in 1989 and 1990. However, that does not mean that the process of social consultations is over. It has only just begun. In order to achieve success, we have to speak openly about problems and difficulties, about clashes between different interests, and also about the protest likely to be aroused if our politics are insufficiently geared toward healing the economy. Also, we must not gloss over potential dangers, distortions, and signs of wrongdoing.

The year 1989 should go down in history as the start of the process of regaining equilibrium, normalizing the market, eliminating inflation, and strengthening the zloty. Both history and the present experience of many countries tell us that without a strong currency there is no real chance of achieving an efficient and modern economy, satisfying the population's needs, improving people's confidence, and raising Poland's economic prestige. There is no other way apart from increasing supplies of goods and services and adapting the incomes of individual, enterprises, and the state to the real possibilities of the economy. The question arises whether the 1989 economic policy principles really constitute an economic breakthrough, whether they will really lead to equilibrium, a stabilization of prices, and an improvement to the market and to shopping conditions.

This matter has to be approached honestly and openly. There have been too many declarations, also from our party. We must not shirk from criticism or directing our attention to spheres where our it is required.

Good plans are a necessary condition for good activity, in other words good plans are ones that encourage upward growth and ambitious action, but ones that also take objective economic laws into account. The Central Committee has often said that more market goods, and not higher prices, are the way to balance out the market. The 1989 Central Annual Plan says the same thing. In fact, it calls for a 6 percent increase in the supply of market commodities. This is much more than this year's 3.5 percent. Supplies of industrial commodities are to increase by over 8 percent. This should improve supplies of footwear, clothes, and household items. Economic policy must be geared to achieving these increases.

We note with satisfaction that more of the defense industry's potential is being turned over to civilian purposes, chiefly to the market, within possible limits, of course. A better use of the potential of factories in the electrical, light, and food industries is essential in order to improve supplies of their products to the market. Any initiative aimed at making better and more efficient use of materials and equipment should be supported. Great possibilities are inherent in the positive experience of numerous plants, voivodship cells, workers' self-management bodies, and trade unions.

It is essential to see to it that market production receives more raw materials, energy, and foreign currency from the very beginning. It will probably be necessary to consider a special market production development program, supervised by the Council of Ministers Economic Committee. Under no circumstances can the market be ignored. General economic activity will create a proper climate for market improvement—there is no doubt about that.

Nevertheless, a clearer definition of mechanisms, paths of action, and responsibilities is required in order to achieve planned objectives. Activity for the sake of the market should become a priority for the government and the entire administration.

We are carefully monitoring the process of demonopolization. The new government has achieved major successes here. New legislation on the demonopolization of food procurement is going to be implemented. It is important that this legislation is successful. Before it comes into force, we should make sure that supplies of meat and other products are guaranteed, especially in large conurbations.

We attach major hopes to an expansion of enterprise, the private sector, various kinds of companies, free access to the market, and unrestricted economic activity in all sectors in order to encourage market production. I think this policy will quickly lead to more market commodities. However, I cannot avoid a digression here.

One need not blow on something that is already cold. The policy that has permitted an expansion of the activity of the private sector is already providing results for the economy and society. That is our belief. The energy of the private sector is manifested in the presence of various kinds of organizational units, dominated by companies based on private capital or private and state capital. The law on equal legal status for each sector guarantees the permanence of the private sector in Poland. This conforms to general party strategy. However, in order to prevent future distortions, it is essential to root out discrepancies the moment they occur. We cannot shut our eyes to the fact that the positive reputation of the private sector is being spoiled by a few disturbing phenomena.

Here are three examples. The first one is economic activity in the form of companies, with the help of employees, equipment, and materials from state enterprises. This is purely a question of replacing one organizational form with another in order to perform the same tasks. However, companies are more costly. They involve an acquisition of profits by individuals more than a processing of goods.

A second example is taking advantage of one's position in the state economy or administration in order to indulge in private economic activity. Particularly sharply criticized is the practice of state economic units selling deficit goods to companies in which members of these same state economic units are shareholders. This is an abuse of economic freedom.

The third example is people with responsible state positions, even people high up on the political ladder, owning shares in companies.

These practices are harmful because one may suspect that such companies enjoy privileges if high-ranking people own shares in them.

These are teething troubles in this new process, so to speak. However, we must see to it that they subside.

Many of these distortions will disappear when economic conditions generally improve. Many of them will require changes to the law, but it is very important to create an appropriate political climate, attitudes, and assessment criteria. After this digression, I will now return to the mainstream of my speech.

Although we have to solve our economic problems mainly by improving productivity and increasing production and supplies, it would be dishonest to say that that is all that is required. In our economic situation, it is not enough. It is also necessary to introduce a financial policy that encourages greater production, but also guarantees a balance between demand and supply. That means we must adopt the nationwide principle that one can only distribute what has already been produced, taking into account the servicing of our debts. However, we cannot adopt this policy overnight, especially because we are accustomed to the practice of creating money according to needs, not possibilities.

However, it is necessary to begin to heal our nation's finances. From this angle, the government's draft financial plans need to be scrutinized. Regarding this, unfortunately, I do not bring good news. The present versions of these plans foresee a 1989 inflation gap of almost Z1.4 trillion and a budget deficit of over Z1 trillion. These are record figures. Because all this eventually takes the form of money, it results in an increased amount of money that possesses no backing in the form of goods and services, in other words, there would be a worthless Z1.2 trillion in people's pockets. This is not, and this I stress, the result of planners' haste, but the result of human needs, which exceed by far the possibilities of our economy. In subsequent Sejm and government planning work, we must resolutely aim toward state financial equilibrium. I mean we must continue to increase production and improve productivity, which will help satisfy social needs. However, we must also resort to unconventional ways of increasing income going into the state budget, for example by issuing treasury coupons.

Finally, individual government offices should use budgetary resources sparingly and even make financial cuts. A good example of this is the 4-percent cut in defense spending foreseen for next year.

Please notice that this is not only because of international detente, but also because of sharp financial discipline in the Ministry of National Defense. It is an example worth emulating.

We are faced with the need to alter the principles of creating incomes, of which we spoke at length at the seventh and eighth plenums. The present situation and present mechanisms are based on the indexation of practically all incomes and on the creation of incomes that have no connection with economic possibilities, making it impossible to improve the market and the economy, and also making it impossible for the government to exercise effective control over incomes and the development of the situation.

Therefore, these plenums spoke out in favor of creating a state-social prices and incomes commission. The thought behind this was to adopt a new pattern for shaping incomes, so that a certain proportion of incomes serves as compensation for increased living costs, and the rest is divided up according to agreements reached between trade unions, farmers' unions, and various socioprofessional groups.

We have made a great effort in the Central Committee. We thank all those who helped form our policy concepts. The government tried to form this prices and incomes commission, but not all trade unions and farmers' unions have agreed to be full members of it. We understand the trade unionists and their opposition, but there is no question of deciding on prices and incomes in the future without their active participation in talks on this subject. That is why the proposed status of observer in these talks is not enough.

I am convinced that the involvement of trade unionists, farmers, and other professional groups in this commission will be discussed once again by these bodies, and that the commission will finally be set up for the sake of the common welfare. This is of particular importance in order to coordinate 1989 policy.

The mechanisms for shaping wages in enterprises will be particularly important. No country has succeeded in creating good mechanisms yet. They are all trying. Our own mechanisms have even proved to be exceptionally poor this year.

I wish to make it clear that the matter is still not finalized. Next year's price increases are based on this year's figures, which means transferring this year's disproportions between various spheres—the seeds of conflict—to next year. In such a situation, one cannot expect people in enterprises that are lower down on the wage scale to sacrifice their interests for the sake of the common welfare. That is why I think the problem of shaping wages in enterprises will have to be reexamined.

Everything I have said about shaping incomes and wage mechanisms is important if we are to overcome inflation and restrict price rises to the 20 percent proposed by the government. This is possible, but it means exchanging one thing for another, for unless we alter our prices and incomes policy, it will not be possible to contain next year's price increases within this 20 percent.

Our society and aktivs are becoming convinced that any effort to control wage rises in enterprises is doomed to fail. From the point of view of the facts, these opinions are justified. In most wage disputes, the authorities have made concessions, the managements have made concessions, everyone has made concessions. If we want to tidy up our economy, this state of affairs will have to change, but first of all there has to be a better wage system. For it is not true that all problems can be resolved if the authorities are strong. If there are faulty wage mechanisms, not even the strongest authorities will help. They themselves will suffer.

That is why I consider the restructuring of the wage system to be such an important political matter. In this sphere we are cooperating with the government, so that people's feeling of injustice, caused by wages in some professions rising higher than in others, may cease to exist.

Finally, I wish to stress that the national economic consolidation program and the plans involved in implementing it can only succeed with the effort of the whole of society. Energetic activity by the administration and government is not enough. Factory party committees have a special role to play.

At a recent meeting of first secretaries of party voivodship committees, we wondered how to behave in the face of the new challenges and tasks. We concluded that three things are the most important.

First, we must explain our policy to society, especially to the working people. The policy that the party and government are trying to implement should be clear and comprehensible. That is important.

Second, party organizations should adopt initiatives without waiting for instructions from above, availing themselves of what they already know about economic mechanisms and development possibilities, so that enterprise development programs may emerge on the basis of these programs.

Third, it is very important to adapt cadre policy to current tasks and to give publicity to good cadres. I had a very interesting meeting recently. We invited people who had suffered discrimination or intimidation because of their initiatives and suggestions to write [to the Central Committee] about them. We received 10 letters, and selected 20 people to attend the meeting. It really was interesting. It was a meeting with people who were full of fire, yet they did not feel bitter. What struck me was that the party's undertakings and the reform efforts in our country have made the party more credible in their eyes. They are convinced that the current economic life that they have joined is a permanent value. I do not think this conviction is confined to these 20 people. I think it is more widespread, and this allows us to look to the future with optimism.

Further Coverage of 22 Dec Sejm Session

Pakula Briefs on Credits Plan

AU2912192788 Warsaw RZECZPOSPOLITA in Polish 23-26 Dec 88 p 4

[Speech by Zdzislaw Pakula, president of the Polish National Bank, at the 22 December Sejm session in Warsaw]

[Excerpts] Citizen Marshal [of the Sejm]! May it please the House! In pursuance of Article 27 of the Socioeconomic Planning Act and Article 12 of the Bank Act, I hereby present a draft of the 1989 credits plan and the provisions of 1989 financial-credits policy, which have been worked out by the Polish National Bank and examined by the Council of Ministers. These documents take the central annual plan into account, and are correlated to the draft state budget, balance of payments, and other financial plans. They also take into account the tasks and objectives contained in the national economic consolidation plan. They both form the continuation of the policy of difficult money, a policy to which the Sejm committed the president of the Polish National Bank when it passed the 1988 credits plan. [passage omitted]

Describing the draft credits plan and provisions of financial-credits policy, I wish to indicate the following features.

First, the draft credits plan conforms to the principle of equal status for each economic sector. Instead of the present distribution of credits according to sectors (the state sector, the private sector, and so on), it is proposed that credits be distributed according to purposes, such as housing, production, consumption, and so on. This will give banks a freer choice of to whom it will give credits.

Second, the plan calls for a 39.7 percent increase in available credits. This is less than the planned increase in the national income that is available for distribution. At the same time, the private sector's debts for credits issued for production purposes will increase by 61.1 percent. It is foreseen that the debts of state enterprises and cooperatives for debts granted for investment purposes will increase by 42.7 percent. It is intended to increase credits for housing construction by 48.7 percent.

These proposals take into account the priorities contained in the national economic consolidation plan. Bank credits will mainly be given in order to increase economic efficiency and help finance structural changes.

Third, the banking system should encourage people to save, and see to it that credits are used for their intended purpose in the national economy. The interest rate is the banking system's weapon in this case. Interest rates will be such that efficient economic units will find it profitable to save, whereas inefficient ones will not find it profitable to obtain credits. Basic interest on credits in 1989 will be 44 percent, and the maximum interest on credits and on fixed-time deposits will be 66 percent.

In order to make interest rates more flexible, the president of the Polish National Bank will have the power to alter them according to changing conditions, especially inflation. Priority with credits will be accorded to agriculture, housing construction, environmental protection, pro-export production, and activity designed to economize on fuels and energy. [passage omitted]

I have presented the main points of the documents that have been presented. I make no secret of the fact that attaining the goals of financial-credits policy will not be easy. This policy is bound to be reflected in the work and opinions of Sejm commissions and the Socioeconomic Council.

Nevertheless, I believe that a consistently implemented financial-credits policy, coordinated with general state financial policy, must bring concrete results in the form of economic equilibrium and a stronger zloty. With this in mind, I move that the Sejm adopt the draft credits plan and principles of financial-credits policy for 1989.

Comparison of Jaruzelski Speech

Warsaw TRYBUNA LUDU in Polish on 22 December on page 3 carries the concluding "Speech by Wojciech Jaruzelski," PZPR first secretary at the 10th PZPR Central Committee Plenum in Warsaw on 21 December. The TRYBUNA LUDU report has been compared with the Warsaw Television Service Polish version published in the 22 December East Europe DAILY REPORT, page 50, revealing the following variation:

page 51, column two, last paragraph, last sentence reads: ...the other hand an implementer of social control and a reviewer of this complicated... (rephrasing and deleting editorial notation)

Comparison of Sekula Speech

Warsaw RZECZPOSPOLITA in Polish on 23-26 December on page 3 carries the speech by Deputy Premier Ireneusz Sekula at the 22 December Sejm session in Warsaw, under the headline: "We are embarking on the road to economic order." The RZECZPOSPOLITA report has been compared with the Warsaw Domestic Service Polish version published in the 23 December East Europe DAILY REPORT, page 22, revealing the following variations:

page 25, column two, fourth full paragraph, sentences three and four read: ...the current year. Together with decisions... (deleting editorial notation)

page 26, column one, second full paragraph, sentences two and three read: ...and annuities will increase no less than prices. The social insurance... (rephrasing and deleting editorial notation)

Jaruzelski Addresses Local Government Officers

AU2812094988 Warsaw TRYBUNA LUDU in Polish 20 Dec 88 p 2

[PAP report: "The Difficult First Step Toward Self-Financing"]

[Text] Addressing a conference of voivodas and chairmen of voivodship people's councils in Warsaw on 19 December, State Council Chairman Wojciech Jaruzelski said that the extent of the problems facing local government authorities clashes with society's expectations. In order to dispel the negative moods, it is essential to achieve positive results and make a step forward. Therefore, it is very important to create as many positive solutions as possible in the immediate future that will make society feel an improvement in the situation and will illustrate the state and government leadership's determination not only to continue the reforms, but also to make them more radical.

W. Jaruzelski stressed the importance of the amended law on people's councils and territorial self-management bodies, which comes into force on 1 January. This is one way of convincing society that these councils are really becoming managers of the areas under their jurisdiction, and that a new quality is emerging not merely from an economic point of view, but also from a sociopolitical point of view. The militancy and efficiency of these councils as managers of their areas may be an important argument in the Sejm election campaign.

Discussing the tasks facing the people's councils in the immediate future, W. Jaruzelski stressed that market supplies are the key issue. A constant struggle must be waged to improve the market situation, supply more goods, and raise the quantity and quality of production. The laws on enterprise and foreign capital will create better conditions for an improvement in the market situation. These conditions have to be used.

At the same time, W. Jaruzelski continued, we are socialist authorities, and we must see to it that no diseases spread, such as scheming, which enables people to make huge profits while pretending to be enterprising and not providing any work input. Particularly annoying are cases where, for example, local government officials join various schemes in order to earn as much as possible with as little work input as possible. W. Jaruzelski placed the people's council chairmen and voivodas under an obligation to examine cases like these and undertake appropriate action.

W. Jaruzelski also stressed the importance of austerity, not only in an economic sense, but also in a moral and political sense. The point is to show that everything is being done to economize during a difficult economic situation.

He also recalled the need to work with the young generation, which is particularly important for the country's development and for the kind of socialist construction that will possess a most valuable ally—young people. Students are also involved. After all, colleges possess student councils. However, these matters cannot be dealt with just by a group of people's councilors. They must be a subject of permanent interest by the whole of society.

Speaking about 1988, W. Jaruzelski said it was a year of continuing the reforms, renewal, and national accord. Therefore, it was not a year of stagnation, despite the economic difficulties. We are entering the new year with major worries, but also with a feeling that we have made another step forward.

Role for Capitalism in Polish Development

PM3012095188 Zielona Gora GAZETA LUBUSKA in Polish 9 Dec 88 pp 1, 3

[Interview with Prof Mariusz Gulczynski of the Polish Academy of Sciences State and Law Institute, by INTERPRESS correspondent Teresa Kwasniewska; date, place not given]

[Text] [Kwasniewska] Professor, in one of your recently published books you ask these two positively provocative questions: "Is this the end of socialism?" and "Are we doomed to live in a capitalist system?" Why such final sentiments?

[Gulczynski] Let me quote a popular current joke: "Socialism is a long and difficult period of transition from capitalism to capitalism." It is true that the numbers of advocates of socialism are falling. Opinion polls conducted among Lodz students (a sample representative of views held on a nationwide scale) on the question of whether it is worth building socialism in Poland demonstrated that—whereas as recently as 1981 some 60 percent of respondents replied "Yes" and 29 percent, "No"—in 1988 already 69 percent said "No" and only 14 percent said "Yes." This indicates that the questions which I had asked and you quoted by way of introduction are simply a formulation of the existing social disillusionment—a disillusionment which goes both ways. For although in our country there is certainly a widespread feeling of having been disappointed in socialism, there is by no means a universal enthusiasm for the hard rules of the capitalist game. We should remember that on the one hand the socialist practice has in many ways proved itself to be inefficient and unproductive in comparison with the highly developed capitalist system but, on the other hand, many aspects of socialism offer us a comfortable, "cosy" life. In other words, although life here cannot be said to be affluent, at least it is more secure from the social welfare viewpoint. Or at least that is how it has been for many years.

[Kwasniewska] Which does not necessarily rule out our longing for a higher living standard similar to that enjoyed by people in the capitalist countries.

[Gulczynski] This is a natural human desire. We long to be able to have our jobs and our social welfare benefits guaranteed according to the precepts of the socialist system and at the same time to enjoy a high living standard of the developed capitalist system. But we forget that highly developed capitalist societies have only reached their standards at a price: the price of enormous sacrifices and tremendous efforts made in the past. It is to be doubted whether our society would be capable of making an effort of comparable magnitude—for example, whether people would give up their free Saturdays and their vacations (or at least agree to having them reduced to 7 or, at the most, 15 days per annum for everyone), accept a longer working day, and consent to a considerable curtailment of the trade unions' role. These are all elements of the price other countries have paid—and are still paying—for joining the privileged elite.

[Kwasniewska] And the prize is not even always guaranteed.

[Gulczynski] After all, we know that most capitalist countries in, say, Latin America, are going though a profound crisis although they have frequently persecuted socialism at home with methods which sometimes bordered on police repressions.

[Kwasniewska] Can we give the name of socialism to what we have been building here in Poland?

[Gulczynski] We did, after all, construct a certain model of socialism—with a certain degree of consistency. It was the model of a socialized economy, with a command-directive system of operation.

[Kwasniewska] What about socialist values and social ideals?

[Gulczynski] These have not been put into practice. I call our model administrative socialism because its "bastions" were provided by state, party, and economic administration rather than social structures. It was constructed on the strength of injunctions from above rather than as a result of a spontaneous movement from below, from the masses which would form their own associations and organize themselves in a socialist way. In the first, original stage that model offered the masses an unquestionable advancement, eliminated unemployment, created chances for rapid industrial development, and so on and so forth. However,...

[Kwasniewska] ...it is being said now that the masses were not accustomed to democratic self-organization. And that at a subsequent stage socialist accomplishment proved to be insufficient. It did not fit in with the new realities and it failed to stand up to the new challenges.

[Gulczynski] Precisely. As people developed new aspirations to nonsubordinate status as citizens and to working in partnership on an equal footing, as they demanded that other needs above just their basic requirements be met, as they asked for better guarantees of social welfare than just the proverbial bowl of rice or the minimum subsistence level, as they began to aspire to affluence, that model of socialism was bound to lose. That is why it is necessary to state expressly that we realized a specific model of socialism here in Poland. I call that a first attempt. It is, in any case, a regular developmental pattern in the history of humanity that the first attempt to build a new system is usually bungled because it is done through decree and agitation encouraging people to adjust their life to the new, "better" order, coupled with administrative coercion applied to those who do not like that "better" order.

[Kwasniewska] That approach has been compromised. You are now proposing a second attempt at building socialism.

[Gulczynski] Yes. So that we can both overcome the limitations of civilizational progress which cannot be surmounted within the framework of the capitalist formation and eliminate their attendant dichotomies which introduce antagonisms into social relations. For it is true that highly developed capitalism is and will remain unequaled in escalating its capacity to convert natural resources into commodities with ever increasing profitability; all this is so thanks to its progressive reduction of labor expenditure. It is obvious that the chances of catching up with it or, even more improbably, overtaking it, are virtually nonexistent. This is not only the consequence of the head start which capitalism gained in terms of time, and, as a result of that, in industrial development, but—and this is more important—of the nature of the capitalist system of production which constantly encourages and forces a dynamic increase in output.

[Kwasniewska] This has long been a favorite thesis of yours: Had a vigorous rate of economic development provided all that was necessary for the survival and happiness of the human race, capitalism would have been the answer.

[Gulczynski] And I would have encouraged people to get rid of the old illusion that the main task set before socialism is to "catch up with" and to "overtake" capitalism in converting natural assets into commodities. Especially now that we have finally become aware of the possibility of an irreversible ecological disaster which could seriously endanger the very existence of the whole human race. After all, that race against time in "processing" our natural environment constitutes an ecological time bomb which is far more dangerous than nuclear weapons.

[Kwasniewska] So what kind of socialism do we need?

[Gulczynski] The kind of socialism that would rationalize the progress of economic development in terms of humanist philosophy and combine it with humanist values centering on the survival and the human race's quality of life. This should apply not only to certain strata of society but to all present and future generations of every single nation in its entirety.

[Kwasniewska] Today many attempts are being made at finding alternative names for such a system.

[Gulczynski] I should be inclined to leave the debate on the name of that new system to theoreticians as long as the system itself is functional and practicable. This is what I have been saying for many years: Let it even be called "thingamabob" as long as it offers a good life to all who live in it. So let us not fight over names, structures, hierarchies, and institutions lest we find ourselves fighting over form rather than over social content.

[Kwasniewska] Are you, as a theoretician, in favor of continuing along the so-called path of socialist development?

[Gulczynski] I am in favor of the kind of socialism which can gain advantage over alternative developmental directions by means of attaining higher social effectiveness through honest, partner-like competition rather than via administrative measures designed to eliminate all forms of alternative development. I am in favor of the kind of socialism which does not equate nationalization with social ownership. And one more thing. Those who believe that socialism can be built on the ruins of capitalism and that, consequently, everything that smacks of capitalist experience in organization needs to be destroyed, are mistaken. As a result of such mistakes made in the past we have deprived ourselves of a number of methods of social organization which, albeit invented or developed in capitalism, should be regarded as contributions to general civilizational accomplishment that is more durable than the system itself.

[Kwasniewska] In any case, you do not deny the right to be active to those who try to guide Poland's future development along capitalist lines.

[Gulczynski] Why should we deny the advocates of that trend the chance to fight for their objectives if by so doing they can meet the needs and aspirations of the Polish people? But we must not succumb to the primitive line of reasoning: capitalism in production and socialism in distribution. That would be just as sensible as advocating free love for the purpose of procreation and marriage for child rearing.

[Kwasniewska] When it comes to the crunch, people will always prefer those who, having "overtaken" socialism, fill their pocketbooks with money and the store shelves with goods to those faithful defenders of socialism who have got us into the present situation.

[Gulczynski] That is just as well. It is absurd to defend the system against the people. The system, in any case, ought to be able to defend itself, by virtue of its usefulness to society. The way to win society over is not by juggling slogans and putting out pretty banners: It is by offering people the chance to live prosperously and to realize their ambitions through their own hard work and enterprise. The leading slogan of the day should be: Yes to socially useful production and enterprise; no to administrative restrictions. There should be a ban on hampering enterprise and a green light for the development of many different forms of enterprise designed to meet people's needs. The winners should be those forms which prove their social usefulness and economic effectiveness in the conditions of coexistence, cooperation, and competition between a variety of possible solutions.

[Kwasniewska] How can we attain this state of affairs?

[Gulczynski] A very useful "bridge" could be provided by the system of popular democracy which we have already seen in operation in the first postwar years.

[Kwasniewska] Are you suggesting taking a step backward?

[Gulczynski] I do not mean that we should imitate that earlier system blindly. Our needs are different today. All the same, the framework of that system could prove very useful today in arriving at a new social agreement whose foundations would rest on patriotic cooperation and civilized competition between different groups of interests and optional blueprints for a new system. The democratic system could be the easiest way of providing socialism with an opportunity to permeate and adapt all the elements of capitalism that could prove useful not only for immediate, short-term application but also for permanent adaptation designed to invigorate socialist economy.

[Kwasniewska] Who are the forces destined to fight the battle for Poland's future? How do you see the distribution of forces?

[Gulczynski] There are four options. The first one envisages cosmetic adjustments to the socialist system and is favored by adherents of the traditional approach to socialism; the second one favors a profound restructuring of socialism and allows for new requirements of civilizational development, such as the natural resources and ecological considerations, to be taken into account; the third one envisages a convergence of socialism and capitalism; the fourth one advocates a return to capitalism.

[Kwasniewska] Which one is going to win?

[Gulczynski] There is no doubt that the best one will win, but the best does not mean the one that uses the argument of force; rather, it will win by the force of its arguments, its attractiveness in terms of social application, and the public support it musters. I think that the final battle will be fought between the advocates of the second and the fourth options.

[Kwasniewska] What guarantees are there that the socialist option will not repeat its "youthful mistakes" again?

[Gulczynski] There are none. But since socialism has already outgrown the blunders of its early youth, it has now arrived at the stage of youthful vitality, innovatory vigor, and competent performance. I maintain that the future will belong to humanist socialism. I am convinced that all the practicable and useful elements of the capitalist methods—methods which are at present temporarily revived for the sake of overcoming the crisis—will eventually become permanently incorporated in the new socialist option.

[Kwasniewska] Do you believe that we are now dealing with a qualitatively new political configuration or simply with a number of new faces in the government and a batch of revamped slogans?

[Gulczynski] We are witnessing the emergence of a new philosophy of state rule and an accession of more pragmatic forces to the government. Unfortunately, similar changes have not yet taken place within the party. But I hope that the Third PZPR National Ideological and Theoretical Conference and the Delegates Conference will provide a venue for making such changes. If that does not happen, the party will impede the progress of further transformations instead of promoting their progress.

Baka Interviewed on Reform Chances

AU2112142588 Warsaw TRYBUNA LUDU in Polish 19 Dec 88 p 3

[Interview with Wladyslaw Baka, PZPR Politburo member and Central Committee secretary, by TRYBUNA LUDU reporters Waldemar Mickiewicz and Jerzy Sieradzinski: "The Chances of the Polish Reform"—date and place not given]

[Text] [Question] Comrade Secretary, your name has been closely linked to the Polish economic reform of the eighties, from the moment it began 8 years ago. How far have your thoughts about the reform process changed since 1981? What has undergone development?

[Baka] Everything undergoes development—economic views and concepts, attitudes toward the economy, and, of course, attitudes toward the reforms. However, certain elements remain stable. There is no doubt that profound decentralization and a promarket orientation of the economy were correct decisions, and that it was correct to call for the independence, self-management, and self-financing of economic units. It was also correct to adopt a comprehensive approach toward the economy, in other words the principle that one cannot improve the functioning of the economy by changing just parts of it; one has to change all of it.

I remain convinced, just as I was in 1981, that without thorough changes in the system of exercising authority and political system, no profound economic reforms are possible. Already in 1981 there was a close link between the interests of various social groups and economic solutions. That is why an openness of sociopolitical life is so important. It is in that period that the slogan of governing before an open curtain was born, in other words we beat "glasnost" by a good few years.

I think that the practice of consultations with social circles when making economic decisions is also stable. It is no slogan to say that Polish economic reform solutions emerged among society, it is a fact. Many people can rightly say that they are the joint creators of the reform.

[Question] But is there anything in the reform process that was not appreciated, or has turned out to be less stable?

[Baka] I will mention what I think are the main weak points. First of all, the question of combining the reforms with economic policy was not appreciated in the beginning. We remember how the reforms took place at a difficult time, under strong pressure from economic and political problems. And economic policy stems from urgent needs. However, this policy was pursued according to the old "tried and tested" style. The greatest clashes of opinion occurred in economic policy. Many believed that the reform is merely a tool of politics, and that any kind of policy can be pursued with it. And yet a reform like the Polish one involves a new lifestyle, new social relations, a new quality of economic relations. This is the reason why the new solutions conflicted with the old economic policy, which remained unchanged.

It also seems that the impotence inherent in economic structures, and society's feeling of impotence, were underestimated. Even today, many years after the start of the reform, many people believe that it is enough to alter a single mechanism, and the whole of economic life will change instantly. However, new economic solutions often get bogged down in heavy, monopolistic economic structures. Also, they often fail to win society's support, and the possibilities they provide are never used. It is thought that new mechanisms will automatically provide the desired effect simply by being there. And yet no such automation exists. The new solutions, in fact the whole reform, are merely new chances that have to be used.

Thus, the wait-and-see attitude that arose during the long reign of the orders-directives system affected the speed of implementing the reforms.

[Question] However, the process of economic change itself did not proceed too smoothly.

[Baka] Yes, there were high and low tides. Following a powerful, I would even say heroic, initial period of creating a new system, a certain standstill occurred. This initial period brought favorable phenomena, for example inflation fell by about 13 percent, the market situation improved, industrial output rose, and trade increased. However, a kind of stagnation started in the middle of 1985. Perhaps some people thought it was time to return to the "tried and tested" method of economic activity. There were delays in implementing the 10th PZPR Congress resolution.

That is what led to the decision to prepare a second stage of the economic reform.

[Question] It is at this very time, during the preparations for the second stage of the reform, that people began to talk about a "Baka plan." But it does not seem to have been published anywhere.

[Baka] This was a program that goes under the name of "program for the strengthening of the zloty." Some 60 percent of this program conformed to the program for implementing the second stage of the economic reform. However, it contained an alternative prices and incomes policy. The Polish National Bank program [Baka was president of this bank at the time] called for an anti-inflation policy.

I think it bad that this program was never published. It was approved by the Politburo, and was due to be considered by the government.

But let us get back to the point. What was the alternative policy contained in it? This policy said that great prices and incomes increases were inadmissible, because the wave of wage claims released by such increases cancels out any chances of achieving financial equilibrium. Experience tells us that for every zloty of price increases, one has to pay between 1.2 and 1.5 zlotys more in wage increases in order to preserve the standard of living.

Next, we said in our program that compensation for price increases destroys factory incentive systems, which are already weak in any case. Apart from that, we said that a major increase in prices and incomes does not guarantee permanent equilibrium at all. All it does is guarantee temporary equilibrium at a given moment. We suggested that essential price increases be spread out over 3 years, and we only called for price increases necessitated by changes in production and increases necessary to preserve equilibrium in a given sector.

Instead of the price and income increases that were implemented, we wanted a brief "freeze" on prices and incomes. In other words, we were in favor of the "difficult money" policy. The pro-market economic policy was supposed to be accompanied by a harsh review of subsidies and even drastic cuts thereof, in other words a harsh review of the bill of expenditures and the deletion from this bill of subsidies that did not lead to economic results, a policy that merely pushes prices up.

In the end, it was not the anti-inflation concept that was adopted, but a completely opposite concept—a great price and income increase. Today, its supporters claim that the main reason for its failure was an absence of political strength to contain the wave of wage claims. And that, allegedly, is the only reason it failed.

That is not quite true. Some solutions weaken political forces, while others strengthen them. Unfortunately, the price and income increases did weaken the possibility of political influence. The explanation is simple. The income-creating mechanism that was introduced enabled some enterprises to increase their incomes by 200 percent without any extra effort, whereas other enterprises only managed a 50 percent increase, and only if they improved their productivity. Surely a mechanism like that will break up any political system, will it not?

[Question] Not much political strength is required in order to "contain" the paying out of empty money. Could the anti-inflation policy be pursued today?

[Baka] The pursuance of every economic policy must be accompanied by political strength, the ability to mobilize society in order to achieve a given objective. An anti-inflationary economic policy is essential. In fact, that is the basis of the "Principles of the National Economic Consolidation Plan" worked out by a PZPR Central Committee socioeconomic team.

[Question] Preparing the national economic consolidation plan has revealed a new set of relationships between the party and government, spectacular evidence of which was the meeting by the PZPR Central Committee Economic Policy, Economic Reform, and Workers Self - Management Commission. What happened during this meeting?

[Baka] The meeting was described at length in ZYCIE GOSPODARCZE [ECONOMIC LIFE]. I can comment on it thus: Nothing happened in it that needs to be glossed over or misinterpreted. At the meeting, all we did was evaluate the preliminary version of this plan, which the government had presented. There was much criticism of it, and the commission concluded that the halting of inflation was not given enough coverage. There were also loopholes in the concept of adapting economic policy to the new principles and solutions of the reform. The meeting also pointed out that the plan did not contain enough analyses of the effects of proposed changes, for example the proposed auctions of assets for foreign currency. Enterprises will be able to obtain foreign currency at the current exchange rate on a given day—a different rate than the official bank rate. What effect will this have on the prices of products? We said at the meeting that the plan does not take the problem of market erosion sufficiently into account.

In a nutshell, our concern for the quality of the economic consolidation plan has revealed its weaknesses.

[Question] But was this not putting pressure on the government? Could the government have rejected your claims?

[Baka] This must not be considered as putting pressure on the government. Of course the government could have insisted on its arguments if it believed it was right. But the party could also have made its rightful claims via the Sejm. Besides, the party expects party members in the government to implement party resolutions. Nevertheless, the commission meeting definitely revealed a new quality of relations between the party and the government. What is more important, no one was offended, because this meeting was fueled by concern for the quality of the plan. And the government did make corrections to it, eliminating the weaknesses.

[Question] We have had many plans, not all of which have provided much. So why another plan, this time a consolidation plan? What guarantees are there that it will not share the fate of previous plans?

[Baka] The consolidation plan is meant to combine efforts and guarantee that individual activities support the general objective. It is meant to achieve a mutual improvement in results. Most of all, the tempo of implementing the reforms is to be preserved. Furthermore, economic policy is to be adapted to present conditions, in which market shortages and inflation are the greatest dangers to the economy. These conditions should determine the path of restructuring, and steer vacant investment resources to market production. Quite simply, it is necessary to allocate resources and materials for the expansion of market production and an expansion of services. The government is boldly undertaking moves like this.

Finally, it is necessary to amend social policy in order to afford greater protection to enterprises and work forces that are subject to reorganization or closure, eliminate inefficient solutions, and give benefits to those who really need them.

The consolidation of the national economy also involves a unification of various social forces, and the recruitment of new cadres and teams of employees capable of working effectively and using the new mechanisms.

Resolving accumulated problems will inevitably give rise to conflicts. Naturally, most of these will concern government-trade union cooperation, or opposition from some enterprises to the plans to restructure them. But the very fact that difficult decisions are inevitable calls for consolidation and joint activity by various political forces, in order to minimize the costs of these inevitable conflicts between interests.

A consolidation of social and political forces means at the same time an openness and democratization of public life. For example, if the spirit of accord and coalitional climate are strengthened, then a new quality of Sejm elections and a new step in the development of democracy are not far away.

To sum up, guarantees are being supplied by the new approach. They are being provided not just through economic undertakings, but also through political undertakings and the policy of openness vis-a-vis new political forces and currents.

[Question] Some economists claim that the consolidation plan contains no shortage of contradictions, for example it calls for a simultaneous balancing out of the market and elimination of inflation, a simultaneous elimination of shortages of goods and a curb on price increases, a simultaneous creation of a capital assets market and a curb on "empty" spending, and a simultaneous curb on budget expenditures and tax cuts for enterprises. Are these contradictions irreconcilable?

[Baka] Economic management under restrictions is a part of economic policy. Economic policy is the art of finding the best solutions when there are restrictions. It is the art of resolving contradictions. Indeed, without taking the time factor into account and without adopting a sequence of action, problems like these seem insoluble. But when one examines them in good time, instead of an "either...or" possibility, one encounters a "this and that" possibility. For example, when the zlotys one earns from stocks and shares are backed by goods and services, they will not boost inflation. However, if these zlotys are merely treated as "profits" and hoarded, then instead of encouraging production, they may merely push up prices.

I do not think calling for budgetary equilibrium and less taxation is contradictory. According to an old merchants' saying: "Heavy turnover, small individual profits, but large overall profits." It is the same with taxation. If there is low taxation, but a large amount of taxpayers, then overall tax will be great. On the other hand, there still are possibilities of making budgetary savings and reducing subsidies, and such possibilities have to be resorted to in overcoming the contradictions.

I tend to regard these contradictions as evidence of the enormity of the problems the economy is struggling with today. However, I believe that not only are these problems soluble, they must be solved. The "squaring of the circle" depicted by your question is only apparent. Rational and effective solutions are possible, a breaking of the vicious circle of impotence is possible.

[Question] And lastly: What is the party's role in the economy today? I mean not just on a national level, but inside enterprises.

[Baka] Even the best economic systems and mechanisms can fail to provide results. There may be an absence of an ignition to set the well-planned machine in motion. Party organizations should provide this ignition.

Party members have a developed social instinct. Their social activity provides them with an understanding of present conditions. This makes their role all the greater. Finally, party organizations and members are generally better able to evaluate the country's socioeconomic situation objectively. They possess an ideological orientation, which enables them to assess a wide range of phenomena. All this makes them a force capable of using the chances given by the new solutions.

The party supervises its organizations, as a result of which they have the strength to influence a series of events. This is particularly important today, at a time of restructuring. Party organizations should also consider the future of the enterprises they are situated in, how their production should develop, what goods should be produced, and what goods discontinued. This means taking the fate of their enterprise into their own hands.

There is also an enormous range of general issues that border on economics and ideology and possess maximum validity today. For example, what to do to prevent pro-market mechanisms from encouraging wrongdoing because of the present profound market disequilibrium? After all, on the one hand we have unjustified profits, and on the other hand poverty. What to do to prevent a restriction of economic freedom and prevent the chances inherent in private enterprise from being wasted? Another question of this type is: What are the economic and political effects of the changes meant to improve management efficiency?

There are many general and concrete questions like these. They are examined by factory party committees. They also require the entire party's effort. One thing seems certain: Independent thinking and action by individual party bodies is a certain prospect. An independent drawing of conclusions for the benefit of an enterprise and an ability to publicize the best cadres —this is what determines a party organization's prestige in a work place. In my view, it is no longer possible to establish ready formulae and draft a new kind of party "ten commandments."

This is one of the factors that contribute to the creative nature of the transformations occurring in Poland and other socialist countries.

[Question] Thank you for the interview.

Orzechowski Interviewed on Party Organization

LD2812203188 Warsaw Television Service in Polish 2025 GMT 27 Dec 88

[Program in series entitled "Socialism Yes, But What Kind?" interview with Prof Marian Orzechowski by students from Warsaw University; individual questioners not identified; date not given—recorded]

[Text] [Announcer] According to our promise made a month ago we are inviting you to another meeting from the series: "Socialism Yes, But What Kind?" Professor Marian Orzechowski invited this time students from the department of journalism and political sciences of Warsaw University: Lezsek Jogodzinski, Jaroslaw Spyra, and Slawomir Majewski.

[Question] Mr professor, as a member of the Politburo and secretary of the Central Committee, are you aware that, to put it briefly, I am one of the people who elects you; do your colleagues from the Politburo, do all your colleagues from the Politburo remember that our votes are the only mandate you have?

[Orzechowski] Yes I do have such an awareness and a feeling of responsibility. I think that in general there can be no responsible politician who does not have a feeling of responsibility. The point is what kind of responsibility—the responsibility for the cause, and the responsibility to one's electorate; that is 2 million party members. This feeling of responsibility can be expressed in various ways. I and my comrades from the Politburo in recent years have been trying to express this feeling of responsibility through very frequent contacts with party rank and file and party organization. I am a party organization member of the copper mine works in Lubin, but we also meet frequently with other organizations—with, if you like, my electorate who gave me the mandate.

Our party has very much democratized itself over the last few years. There is much less centralism, bureaucracy, and ceremony than there once was. Every one of us has the feeling—and the course of the first part of the 10th plenum also confirms this—that to change a part of or the whole leadership, and the highest leadership at that—the Politburo and the Secretariat—is relatively, is relatively easy. This is not an impossible matter, and I think that here we have to deal with an imaginary dual process. We are conscious of this; we, that is those who have been granted this mandate to be part of the party leadership—but members of the party also have this feeling—know that their voice counts and their pressure from below will lead to the changes desired—in the party, the leadership, the arrangements, in the structures.

[Question] Certain people left the leadership at the 10th plenum. New ones have come, but who knows these people among the rank and file members of the party? Who knows them apart from members of the Central Committee, apart from those who have directed them to the Politburo? Do you not judge that it is appropriate to create another mechanism for electing members to the highest body, to the highest party bodies? Do you not judge that it is appropriate to bring different programmes into the party? A forum for free discussions, simply on this basis, on the basis of eliminating programs, it is appropriate to bring about, in a certain sense a greater democratization, the election of members of the highest party bodies by all party members.

[Orzechowski] It seems to me that the period before the ninth congress, for instance, created certain models, that people who then came into the Central Committee, the Politburo, and the Secretariat, came through their activity in the basic party organization. They allowed themselves to become known in their milieux, then more widely in the voivodship, and so on up until the congress. That is also why this question, too—of creating party cadres, of party leaders—is one I feel to be a key question for the party's functioning. Simultaneously, as worthy for searchingbecause we are aware that this mechanism is not the best. However, it would be very difficult to say what sort of mechanism this could be. In the first part of the 10th plenum the view that this will have to be considered was expressed.

[Question] Well then, in your report delivered to the plenum you stated that there is now a possibility for creating horizontal structures—as you described it. I know that such structures existed in the years 1980-81 in the party history. Does this signify a change in the party's attitude to the activities of these structures? Does it signify a turnaround? Is the party turning toward those people who were punished or even purged from the party for belonging to these structures? Can they return to the party in such circumstances?

[Orzechoswki] These are two different points. The issue of the structures, and the issue of ties. One must look at it from a historical viewpoint, because times were different then; the party was in a different situation, and one must look at it from the viewpoint of its feasibility when carrying out the party's tasks. A considerable proportion of the structures—I am not saying all of them—did not, unfortunately, help to unite or strengthen the party, but they weakened the party. But the issue of horizontal ties still remains—the need to communicate and cooperate with party organizations in different milieux and branches. These must be an outlet to express this. One cannot artificially obstruct a process which is a necessity at the moment. And this is why, in the theses of the 10th plenum, we say that this issue must be discussed. I think that the most important thing is that we broke the conspiracy of silence and we stopped treating the subject like some kind of taboo.

The second point concerns the return of some members, former members of the party, to its ranks. During the plenum we talked about the honorary return, about making it possible for those who left for various reasons to return. A great many of them left. At the moment I do not know what practical steps can be taken, But I see again that the essential point is that we are not treating this as something embarassing, as something that does not exist, as something that has no significance for the party. Let us also begin a frank inter-party discussion on this subject. I think that solutions will also be found on how to do this, how to enable the honorary return of those who want to rejoin the party ranks.

[Question] There is such a thing as individual interviews. I think that the individual interview as a form of consultation with the rank and file is a little bit neglected. I as a party member for the last 4 years only once took part in an individual interview and it concerned general and fundamental questions, ideological issues, and not specific issues. What, therefore, is your attitude toward this?

[Orzechowski] My attitude toward this is very positive. I laugh because 3 weeks ago in my above-mentioned party organization at the mining works, I took part in individual interviews [words indistinct] not just the local ones. They are held on three levels on three types of issues: the first issues concern the specific work enterprise, its party organization and its problems—I was asked about such issues too; the second dimension is questions concerning the whole party, its function, its place, its structures, what needs to be changed and improved; and the third concerns general matters relevant to the country as a whole.

This is how I imagine such interviews: not something formal which must be held because the party leadership has ordered it and because it is envisaged in the statute; it should be the party's examination of the party's conscience, carried out systematically to arrive at some kind of balance sheet of our achievements and failures and to draw conclusions from this. It is most important, in all this, for every party member to feel that he is responsible for the whole party and that his voice is heard and this very voice will reach those who should hear him—the voivodship committee, for instance. We spoke earlier about the 10th plenum. I would very much like the individual interviews which are going on nationwide in the whole party to also help to better prepare for the second part of the plenum, so that in the second part of the plenum we can say that here in the individual interview this or that question was raised and these proposals or suggestions have arisen from such matters. We should transform this into the language of the 10th plenum resolution.

[Question] [Words indistinct] can the rank-and file-party member really have a basis for having a feeling of coresponsibility for the fate of the state, can this really be so? Can these opinions get through to there where they should do so? Are they really listened out?

[Orzechowski] The opinion of the party, or the general party view, is not an ordinary evaluation of the opinions of the 2 million, let us say, members of the party, for we are all different. You followed the course of the first part of the plenum and even saw that in this high body—the highest party body that the Central Committee is between congresses—there are also differences of opinion and often mutually exclusive ones. And so the point is for that which is really bothersome, that which forms a certain climate, that creates a certain specified tendency, to get through to the appropriate party authorities, and for it to be transformed into the language of actions. This is the most important thing. It seems to me that we already have channels for the flow of information from below to the top and vice-versa, but we do not have efficient mechanisms transforming these impulses flowing from below into specific activities. The main weakness of our party rests on this, but this can probably be strenghtened once the members of the party feel for the fate of the party, for its activities, for its place in society grows.

[Question] Currently there are 58 students in the party organization of Warsaw University. Warsaw University has 12,800 students [passage indistinct] Are we not threatened with the perspective of simple extinction? The party member lives in permanent moral and psychological discomfort. The [word indistinct] of the milieux is extraordinary. Are you not afraid that through losing the young intelligentsia we will lose very much for the party?

[Second question] The party is getting older insofar as the percentage of young people in the party is decreasing. One should consider why that is; one should ask: What can the party give to young people? Of course I am aware that right now many television viewers, those who have been party members for quite a long time, the older ones, can ask: What do young people give to the party? I think that the reply is simple. A young person can give everything, absolutely everything, which is asked of him by the party, and probably even more if this is a thinking person, a creative person. Under a certain condition—he needs hope. Does the party and the senior party ideologues think that this process which has currently been taking place—this is my own view of course but I think that my colleagues will support me in this—that this process of departing from ideology which can be noted in the mass media, in statements, and in party publications, is not bringing us harm?

[Orzechowski] A few remarks. First, don't you think that we must blame everything on the ideologues—after all this is our common party duty to answer this question, and no ideologues can answer this question and give a perfect solution to this. Another matter: I would not agree that we are departing from ideology. If there is a departure from ideology then perhaps in the shape which dominated so far or is dominating. [as heard] On the contrary, I note the calls for great ideals, for the ideals which can carry one with them, which can stimulate, and which create a certain prospect for action, and prospects for the development of our country. For me, for instance, it is most suprising that in party organization there is a discussion on such great ideological issues as, what kind of socialism?

Like the party. Like the future of Poland. Like the place of Poland in this developing world. How to meet this call? It is not true that workers and basic organizations only discuss day to day troubles. The conviction is gaining ground that the road to the solution of these great matters is also the road to the solution of these minor matters. And here in part is the reply to the question relating to the aging of the party. Well, it is necessary to leave behind the circles of discussions and disputes—that it is aging—that we are threatened with. It is necessary to consider the question of how to change this and so how to change the country as quickly as possible. Its economic face, its political face. How to really, through facts and specific matters, demonstrate that it is changing and that it is to change many things in Poland. Recently, something has been happening here. It is also necessary to awaken the initiative of youth organizations; perhaps they cannot get through to young people, perhaps this model does not suit young people, perhaps it is necessary to find something here too? Perhaps we awaken too little initiative in youth ourselves. Show us that these are the spheres of action and we will support you. And after all those who have entered the party—you are young members of the party—well you also contradict those words that you have formulated, that you yourselves formulate. You are, after all, an example that one can and must change, and that there is such a chance.

[Question] In the 1970s we had moral, political, and social unity. Later we had national accord. Now we have the roundtable. Perhaps you will disagree, you might even aggressively react to this statement. I call this phenomenon the syndrome of the roundtable. This is a phenomenon functioning in thinking within the party about society, about state-party-society relations. In my opinion this is the key question. I think that if we are to remain the political party, the party which is not ashamed of its political aspirations, we must admit that the value of a consensus, some kind of agreement or compromise, is not an absolute value. We have enemies and certain circles see us as enemies. So before we as a party sit at the roundtable we must map out these limits. We must know how far we are going to go in agreement and exactly who we are going to go along with. A statement saying that who is not against us is with us, is in my view, just a way of calming ourselves down.

[Orzechowski] We Poles are very keen on all kinds of myths, and cliches. We create them very quickly and often in our political thinking we confuse our objectives with our methods, or change our methods into objectives. Reform, the roundtable, and pluralism—these are all methods, these are all instruments, these are all tactical moves and structures, and reality will not change because of them, it will not change quickly and suddenly. Perhaps this is also an issue which was not heard, along with the propaganda and other similar issues which arose around the roundtable and produced exceptionally high hopes. Many Poles think that when the roundtable is held and the various sides taking part in it reach agreement, then everything will suddenly change as if touched by a magic wand. I do not believe in this. This is one of the methods of realizing [our goal]. One has to ask a brutal question: If there is no roundtable, the sides must reach compromise, if there is no compromise then what? Will everything collapse then? We try to define who is with us, who can be with us, who can be against us, and also what the limits are.

The limits concern our fundamental interest, everything that promotes development, that promotes stabilization, that promotes the revelation of all of society's creative forces and what is good. These are the limits—not falling back on great, perhaps overused, words. And the party's weakness is that we have forgotten how to fight; that we treat power as something granted in perpetuity. We have got used, for many, many years, to there not being forces of various kinds alongside us, behind us, or opposite us, which question our right. We must learn to enrich the party's image with this very element, this element of struggle.

[Question] We should probably settle accounts with the past. We must say what was good and what bad, what was a mistake and what wasn't. A lot is being said now about Stalinism. I personally don't like the word because it smacks a little to me of Orwell's Newspeak. It is a foggy sort of concept, very ambiguous, with a great emotional charge. If you want to ruin someone's [word indistinct] career, it's enough to accuse him of Stalinsim. In view of this, I propose that we omit this concept and if we are thinking of any particular distortion, then let's call a spade a spade and not talk about Stalinist cultural policy, for instance. And now, you see we have admitted that as a party we made mistakes in the forties and fifties. However, I can't find an admission—this for the last time, (?without dwelling on it)—that as a party we weren't capable of admitting it for a very long time.

[Orzechowski] Because this concerns the past, the professional approach is this: Research it minutely, without anger and with care, on the basis of documents, on the basis of sources; do not offer premature judgements—I think that this is the proper way. A complete explanation must be calmly given.

Look at 1956, 1970. In fact, we are only now getting to the roots for the first time; just like the USSR. Khrushcev was the worst thing associated with Stalinism, but also fear about getting through to the roots, to the sources and essence of the system itself. This is the whole point: to get to the system, to the sources, without cosmetics, to grub up the roots. Let us try to clarify this to the end, with all the consequences, political, moral, psychological, so that we can enter the 1990s and the

21st century with a truly clean record sheet. I want this above all, and I would like to help you in this. Why you? Because you young members of the party and young Poles will in a few years or so be answerable for the whole country, for the whole of our fatherland, for the whole of our party.

[Question] Is the socialism which we are moving toward still socialism? The question has arisen: Is this still socialism? This is senseless. Quite simply, socialism will be what we want it to be. There is no definition of socialism. Fortunately, unfortunately, I catch myself out on the fact that we young people think somewhat differently from our elder, elder comrades. Quite simply, this ZMP [Union of Polish Youth During Stalinist era] generation that experienced its youth during that era and even the generation of the 1960s—are you not afraid that one day we won't be able to understand each other? That we young people will transform this party [words indistinct]

[Orzechowski] It is natural that...[changes thought] well, you know it would be very bad if you—that is the young generation of Poles, the young generation of party members—were to think exactly as we do. There would be no progress. We would get stuck; we would get stuck in a morass; we would get stuck in that method of thinking and acting that was shaped many years ago, and that shaped us. And at the same time the art and ability of this change from one generation to another probably depends on this, too, so that dialogue between generations and the intergenerational tie is not broken. This is a matter of fundamental importance and significance for our party. I can only be pained by the fact that there are still too few members of the party like yourself, that the intergenerational bridges are still narrow. But I think that what we are doing at the moment creates a chance that this will change; that it will begin to undergo a distinct change.

[Question] Yes, indeed. That is the intention. The blessed who did not see but believed—that is not a maxim [words indistinct]. We want to know and then afterward believe. We won't continue to believe if we remain in the dark; and to enter into that intergeneration dialogue, we must be able to see a certain prospect, not in the sense of an illuminated future, but we must know precisely what direction we are going in.

[Orzechowski] I think that for some time—better, worse, slower, faster, one would like it to be better and faster—we have been beginning to do that. I don't want to ask people just to believe anything, because I don't like that myself. We ourselves lived through a period like that and it didn't teach much, but we do draw conclusions from that and everything that is happening around us at the moment. The fact that we are discussing things like this, that all the discussions are taking place today in the party and outside it and that, by discussing, we are changing things—and, after all, a great deal has changed around us recently—this is an answer to the question you are raising.

Leaders' Public Appearances for 14-19 Dec

AU2712184888 [Editorial Report] The Polish press monitored from 15 through 20 December reports the following appearances of Polish leaders (sourceline of each report given in parentheses):

Jozef Baryla, Jan Glowczyk, Marian Orzechowski, and Wojciech Jaruzelski attended a 15 December ceremony at the Warsaw Citadel to commemorate those who died in the struggle for socialism in Poland. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2)

Wojciech Jaruzelski, State Council chairman, was awarded a medal of honor on 15 December, to mark the 40th anniversary of the unification of the Polish workers movement. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 1) He attended a meeting of the PZPR Central Auditing and Control Commission on 15 December. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2)

Wladyslaw Baka, Politburo member and Central Committee secretary, received members of the Consumer Federation on 14 December. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 2) He met with members of the League of Polish Women on 15 December. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2)

Kazimierz Barcikowski, Politburo member, met with radio and television employees who used to be activists in the old Polish Socialist Party and Polish Workers Party at the headquarters of the Radio and Television Committee on 14 December. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 2) He received on 16 December Chamrat Chomphuphon, Thai ambassador; and Vincenzo Manno, Italian ambassador; who presented their credentials. (Warsaw TRYBUNA LUDU in Polish 17-18 Dec 88 p 2) On 19 December, he received Samuel Olajide, Nigerian ambassador, and Robert Bloes, ambassador of the Grand Duchy of Luxembourg, both of whom were paying farewell visits. (Warsaw TRYBUNA LUDU in Polish 20 Dec 88 p 2)

Zygmunt Muranski, Politburo member, attended celebrations marking the 40th anniversary of the unification of the Polish workers movement in Sosnowiec on 14 December. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 2)

Marian Orzechowski, Politburo member and Central Committee secretary, awarded a medal on 15 December to Jozef Cyrankiewicz, former premier and chairman of the old Polish Socialist Party, to commemorate the 40th anniversary of the unification of the Polish workers movement. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 1)

General Florian Siwicki, Politburo member and minister of national defense, received Norwegian defense minister Johan Jorgen Holst at Warsaw Airport on 14 December. Holst is on an official visit. (Warsaw ZOLNIERZ WOLNOSCI in Polish 15 Dec 88 p 1) On 19 December, he received a military artistic troupe in Warsaw. (Warsaw TRYBUNA LUDU in Polish 20 Dec 88 p 2)

Zofia Stepien, Politburo member, visited Czestochowa on 14 December in order to attend celebrations marking the 40th anniversary of the unification of the Polish workers movement. (Warsaw TRYBUNA LUDU in Polish 15 Dec 88 p 2)

Janusz Kubasiewicz, Politburo candidate member, opened a philatelic exhibition called "The Party and Young People" on 16 December, and attended a ceremonious plenum of the Koszalin PZPR Committee to mark the 40th anniversary of the unification of the Polish Workers Movement. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 4)

Zbigniew Michalek, Politburo candidate member and Central Committee secretary, attended the 16th plenum of the Union of Socialist Polish Youth on 14 December. (Warsaw TRYBUNA LUDU in Polish 14 Dec 88 p 8) He attended the Opole PZPR Committee plenum on 17 December. (Warsaw TRYBUNA LUDU in Polish 19 Dec 88 p 2)

Gabriela Rembisz, Politburo candidate member, attended the Poznan PZPR Committee plenum on 14 December. (Warsaw TRYBUNA LUDU in Polish 14 Dec 88 p 2)

Kazimierz Cypryniak, Central Committee secretary, received on 16 December a delegation from the CPCZ Central Committee Political-Organizational Department headed by its chairman, Jiri Silhavy, in order to discuss sociopolitical changes in both countries. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2)

Foreign Minister Tadeusz Olechowski received the following new ambassadors on 15 December: Chamrat Chomphuphon of Thailand, and Vincenzo Manno of Italy. (Warsaw TRYBUNA LUDU in Polish 16 Dec 88 p 2) He also received American industrialist R. Lauder, who visited Poland from 16 through 19 December at the invitation of J. Majewski, deputy minister of foreign affairs. (Warsaw TRYBUNA LUDU in Polish 20 Dec 88 p 2)

Ceausescu Speaks on Modernization of Localities

AU2912165488 Bucharest AGERPRES in English 1530 GMT 29 Dec 88

["President Nicolae Ceausescu on Modernization of Localities" - AGERPRES headline]

[Text] Bucharest, AGERPRES 29/12/1988—Answering a question on the conception underlying the action of modernization of localities in Romania, its stage and future plans, on which the mass media in Western countries published contradictory news items, President Nicolae Ceausescu said inter alia in the interview granted with the West German newspaper "DIE WELT":

Many things have been written especially in the Western press, that do not accord with realities, that prove either lack of knowledge or ill will, sometimes—although the role of the press, of mass media is to feature reality and promote knowledge and rapprochement among peoples.

As for the questions of modernization and systematization of the localities in Romania, it is 20 years this year since we carried through an administrative-territorial reorganization, as part of the process of improvement of our socialist society.

We set out from the conception that we had to gradually ensure an approximation of the working and living conditions in towns and villages, from the fact that we had to gradually and in a certain, well established time, have the citizens of Romania, be they town or commune residents, enjoy economically, socially, culturally all gains and the whole development of the country.

A powerful process of industrialization has taken place. From 80 percent, the share of the country's population living and working in agriculture in 1945, we have reached 28 percent now. This has naturally induced a certain inflow from villages to towns—a process that has occurred all over the world.

Over this period of vigorous development of industry, we have concentrated the forces in towns, so that the new workers and intellectuals come from villages may have the necessary housing conditions ensured. This has resulted in a powerful development of towns—which can be seen by any visitor in Romania. There are towns that have grown 5-6 times. Bucharest itself has doubled its population within twenty years. As many as 54 new towns were created, through the transformation of more developed communes into towns. Likewise, a number of villages and communes were encompassed in towns. We have however seen to the powerful development of industry in all counties. All in all, we have forty counties. There is no county not to have 5-6 industrial centres created in these twenty years or not to have developed in these twenty years. We have virtually created industry in some of them.

We have taken care of agriculture as well. We have removed the old conception that agriculture had to come next. We think agriculture makes, along with industry, a decisive factor and we cannot develop the society without it. Therefore, we have greatly developed agriculture and the production has grown in this period. We have built a lot for agriculture as well: a large system of mechanization centres, scientific centres, zootechnological farms, etc.

A certain improvement of commune organization has been recorded. We have heeded the questions of education, health protection, cultural activity but, as a whole, the communes were somehow left behind in a way. We did not avail of the necessary force to develop the communes concomitantly although—I repeat it, in communes as well, much renewal has been wrought and we have an important number of communes which already look like town centres.

Considering the country's development level, the fact that we have almost settled the housing issue in towns and starting from the fact that we want to keep the village population there—we are against the concentration in towns—we have decided to take care more of the fulfilment of the programme established 20 years ago, of organization of the communes upon modern bases. This will be certainly a long activity but, at any rate, we want the communes to be radically improved in the next ten years. There will be work to do also after 2000. What do we want, after all? First, to ensure proper conditions for education, health, cultural activity—no doubt, starting from the development of agriculture, of some industrial activities, of the services in every commune, so that the citizens may benefit in fact in the localities they live in from the general conditions offered by towns.

We want to build dwellings for all experts and for the workers who will work in communes. First of all, I say it again, we want to settle the general issues, in the next five years, in all communes. We want our villages to gradually get a new look.

All citizens willing to build dwellings will have to build them as part of the established systematization. As a matter of fact many do it now and did it also until now. Actually, the number of the communes remains the current one. A number of villages will be encompassed in the current communes, and the more remote ones will remain separate units, belonging to the commune though, the same as it is now. It is assessed that every commune—apart from the basic centres—will have 3-4, up to 5 villages around it.

We also plan that some of the present communes, where agroindustrial councils operate—specialty bodies of management of the agricultural activity in specific zones—that cover as a rule 4-5 communes each, should become agroindustrial towns but, I repeat it, we plan that all communes should gradually become agroindustrial townlets. We will more largely develop some industrial activities in these centres, that cannot be run in every commune, will ensure the development of higher forms of education. In communes, we have the high school, first stage, that is the ten-year school, which is generalized. In those new towns we will have also second-stage high schools, i.e. two more grades, which will be able to accommodate also young people from the surrounding communes. We generalize the 12-year schooling for all young people as of 1990. We want a part of the youth to learn in those centres and not come to town all of them, for we want to keep a part of the youth in communes. We will build more in those localities, for we will have more cadres, more workers and will also assist the citizens to build by themselves. Sure, we do not intend to build for all citizens, because we cannot. We will however assist those who want to build new homes for themselves. Those who will want to live further in the houses they have may remain there as long as they want—but people want already now to be closer to the centre, where they find also industrial activities, shopping units and school—all activities.

People are more realistically-minded than the Western press and ponder over what is useful for them and what is not. As a matter of fact everything we do is by consultation with and the will of the people, as neither is it possible nor do we wish to do something that does not meet the people's will and need.

President Nicolae Ceausescu rejected the allegations circulated abroad referring to the situation of localities in the country where Romanian citizens of Magyar and German nationality live, showing that their development is illustrated by the new towns that have grown in those counties, their industry, education, culture. They speak more than anything else. The fact that we will ensure better working, education conditions, that we will improve the cultural activity, the health—will it be detrimental to the citizens in the respective communes, where together with Romanian citizens of Romanian nationality live also Romanian citizens of German and Magyar nationality, or will it be to their benefit?

Referring to the fact that a West German newspaper wrote that the locality Gotlob, in Lovrin Commune, Timis County, would have been destroyed, the Romanian head of state pointed out: "It is not just that do we not destroy the centres: We want to develop them.

"As for the preservation of the traditions we are for their preservation and development, preservation of what is good, of course".

Ceausescu Interviewed on Security, Cooperation

AU2912171088 Bucharest AGERPRES in English 1620 GMT 29 Dec 88

["President Nicolae Ceausescu on Cooperation-Related Matters"—AGERPRES headline]

[Text] Bucharest, AGERPRES 29/12/1988—In an interview he granted with the West German newspaper "DIE WELT" Romania's President Nicolae Ceausescu stated in relation to the current problems of European security and cooperation and the significance of the concept of "united Europe" he formulated in his public stances: We would like the Vienna conference on disarmament and collaboration to end with ever better results and the European peoples' interests to live in peace and closely cooperate in all fields to be a basis for each one's independent development.

Problems should be approached by taking the new reality of the world today, all domains as a basis. Whatever their social system, all peoples must order their life in accordance with the gains of science and culture, look ahead and not back.

We live at a time of tremendous achievements in science, knowledge, culture and production forces, and European cooperation must also be based on like principles in all domains. So Europe can and must play a more important role in its development as well as in the development of the whole world.

It is in this spirit that we see the question of Europe's unity which we view as an entity in diversity, irrespective of philosophical, political beliefs, of the differing social systems. A unity based on the principles of equality, respect for national independence and non-interference in internal affairs, a close unity which should aim at each nation's socioeconomic progress.

Why do we speak of "the unity of Europe" or "a united Europe" because we do not want a Europe enrolled in a soldierly system where Europe's policy is decided in one capital city or another. We wish "Europe's policy" to be established by Europe's peoples that should decide it together, even if they were big or small and irrespective of their social system.

We want Europe to be a Europe of science, culture, progress, material and spiritual welfare, as well as a Europe of peace, apt to play a more significant role in the general development of the world, of peace and collaboration.

And this can be only a "Europe of free nations."

I think the best formulation would be: "A united Europe of independent and free nations."

This meets the interests of Europe and of the world as a whole.

Mikulic Submits Government's Resignation

AU3012081388 Belgrade Domestic Service in Serbo-Croatian 0805 GMT 30 Dec 88

[Text] FEC President Branko Mikulic has submitted the government's resignation and sent it to the SFRY Assembly. As is expected Mikulic will expound on the resignation at the joint session of the two Assembly chambers today.

The present FEC will continue to perform its function until a new Yugoslav government is formed.

'Text' of Mikulic Resignation Letter

LD3012091588 Belgrade TANJUG Domestic Service in Serbo-Croatian 0851 GMT 30 Dec 88

[Text] Belgrade, 30 Dec (TANJUG)—FEC President Branko Mikulic has informed Dusan Popovski, president of the SFRY Assembly, that the FEC has decided to submit its collective resignation. The text of the letter reads as follows:

"The FEC decided, at a session held on 28 December 1988, on the basis of Article 359, paragraph 2 of the SFRY Constitution, that it would submit its collective resignation to the Chambers of the SFRY Assembly.

I propose that consideration of the collective resignation of the FEC be included on the agenda of the sessions of the Federal Chamber and the Chamber of Republics and Provinces which are in progress. At the same time, I propose that I state the reasons for the tendering of the collective resignation of the FEC at a joint session of the Federal Chamber and the Chamber of Republics and Provinces of the SFRY Assembly."

Mikulic Explains Resignation in SFRY Assembly

AU3012125288 Belgrade Domestic Service in Serbo-Croatian 1208 GMT 30 Oct 88

[Speech by FEC President Branko Mikulic at the joint session of the SFRY Assembly Chambers in Belgrade—live]

[Text] Comrade President! Comrade delegates!

At its session held on 28 December this year, the FEC discussed the consequences of the FEC's decision not to include in the agenda a discussion on the proposal concerning an urgent adoption of a law on the temporary restriction on the use of a portion of the social funds, the funds of sociopolitical organizations, and the self-managing interest communes in the social sector for expenditure in 1989.

We discussed this within the context of general social, political, and systemic conditions under which the FEC is performing its duties and responsibilities as the executive organ of the SFRY Assembly. We concluded that under the burden of the difficulties caused by the long-lasting economic, social, and political crisis the essential causes of this crisis have been lost sight of, and particularly the systemic and material constraints for overcoming the economic crisis, which led to the present FEC being equated with the crisis.

I remind you of the foreign debt and the internal questionable debts and losses in the economy, the banking system, and the National Bank of Yugoslavia, the economy and the market having been closed to the world for years, the practice of monopolistic behavior in the Yugoslav market, the non-market atmosphere, excessive state regulations, and the strengthening of statism and voluntarism at all levels of social and political organization.

The assemblies of sociopolitical organizations and their executive organs decided on the so-called development priorities, and with their decisions affected the major part, absolutely and relatively, of the domestic and foreign accumulation allocated for development. These organs had a direct influence on the policy of prices and determined the scope of trade relations. The consequences of this are bad investments, disparities in relative price relations, great distortions in the Yugoslav economy and market, decreasing efficiency in investments and the use of funds, falling productivity, and the economy's erecting barriers against outside and internal factors.

We have felt all these consequences and, of course, are now paying the price for omissions and for the mistakes made in the previous period through, among other things, the stagnation in development, high inflation, and a fall in the standard of living. Of course, these consequences, that is to say the economic crisis, were not produced by the FEC which only fairly accurately measured and revealed them, and proposed an idea to resolve them.

Proceeding from the assessment that the crisis is very deep and that the way out of the crisis is not possible without radical changes in the economic system, in spring of last year we proposed the theses for the reform of the economic system. The theses were also accepted by the SFRY Assembly. However, the proposed changes could not be carried out because of the constitutional restrictions.

Bearing this in mind, in November we proposed a program of measures and activities for stabilizing the economy and the market which was endorsed by the SFRY Assembly, but only in a slightly revised form. This is why the achieved results are worse as compared to what could have been achieved. The program of consolidating foreign and internal debts was an integral part of the program.

Immediately after that we started negotiations with the IMF and our creditors concerning the rescheduling of our foreign debt. At the same time we formulated the measures of the economic policy which were introduced in May. The program of measures for resolving losses and for the consolidation of internal debts was largely impossible to implement because the constraints affecting our balance of payments. We found solutions in the last few days, but of course they have to be accepted. In addition, the FEC has been engaged in preparing the proposals for the strategy of technological development and the strategy of developing tourism, which have been adopted, as well as seven other strategies for developing long term economic relations with some countries, our most important economic partners. A strategy on developing the transportation network and the program on developing energy engineering are in the process of being adopted. Then we have the social agreements on the implementation of the strategy on developing agriculture, small private businesses, the joint policy on geological research on mineral raw materials, the basis of the policy on changing the economic structure of Yugoslavia, the realization of the regional development policies, and the program of reforms in the housing sector.

At present 11 strategies of long-term economic cooperation with certain countries are being adopted. Having come to the conclusion that without a radical reform of the economic system it will not be possible to overcome the crisis and enter the period of a more dynamic development under stable conditions, the FEC also undertook this task. After the work that lasted several months in the commission for economic reform and the FEC, we proposed the basis of the reform and the drafts of 19 systemic laws. The constitutional amendments had not been adopted at that time. The SFRY Assembly concluded that we should forward the working drafts of these laws and that they will be taken into account in explaining the procedure envisaged by the standing rules.

Since the amendments to the SFRY Constitution were adopted on 25 November, the bills containing the proposals could not be submitted earlier. Therefore, we resorted to urgent action and the delegates were justified in complaining about the shortage of time for assessing the application of the amendments to the systemic laws.

One should also bear in mind that the Assembly charged the FEC, only in July, to prepare the proposals for amendments to the Associated Labor Law or the adoption of several laws that would regulate the substance contained in the Associated Labor Law. Acting according to this conclusion, the FEC in such a short time prepared the bill on enterprises. I may remind you that the work on the Associated Labor Law had lasted 3 years, and that 11 years elapsed between the initial proposal and the constitutional amendments that we adopted on 25 November.

By incorporating the proposed amendments into the law on enterprises, the bill was improved. By adopting this law and other systemic laws, conditions are being created for the formation of business institutions in Yugoslavia for the first time since the liberation of the country.

A long time ago, by adopting the Long-Term Program, we decided in favor of a realistic valuation of all the factors of production, but it was only this year that we embarked on it seriously, in practice, in the commodity market through the liberalization of the prices of about 70 percent of the goods traded; in the foreign exchange market through forming the rate of exchange according to all three criteria envisaged by the law; and in the money market through the policy of real rates of interests.

This remains to be done in the labor market and in the market valuation of resources.

Imports have been liberalized, and a significant further liberalization of exports is forthcoming next year through abolishing the LBO [expansion unknown] system and through greatly reducing import protection. This will reduce the cost inputs, and will affect the modernization of the economy through the imports of equipment as well the growth of production through the imports of raw and production materials, and better supply in the market through the imports of consumer goods.

True, the problems of how to close the gaps in the extrabudgetary accounts of the federation are thus being broached. We shall propose the solutions for this in January.

After several years of work, we are finally bringing to a close the preparation of the proposals for abolishing the losses in the National Bank of Yugoslavia on the basis of the foreign exchange losses and the interest payments for foreign currency savings and financial credits converted into dinars. In this way we will free the National Bank of Yugoslavia from the obligations that it has not incurred, and we will create the conditions for it to perform the role of a true national bank, and the banking system will be made capable of performing its function, so that a bank will operate as a financial enterprise.

The cost of this is very high, and there is no doubt that it will have regional effects. It is good to know this, not in order to quarrel, but in order to see that real life is not cut up into separate pieces and cannot be expressed through simple mathematical calculations from one moment to another, or in each question and each interest.

A successful entry into the reform will depend on solving this problem, and on whether we shall save the Yugoslav banking system from bankruptcy, which is also a condition for entering the reform.

Additional measures must be taken to create appropriate conditions for the start of the economic reform in the economy of the economically underdeveloped republics and the Socialist Autonomous Province of Kosovo. A part of this will be provided through an equal treatment for the credits converted into dinars and for foreign currency savings, and through the implementation of the measures for a financial consolidation, and we are also working on mastering the conditions so that further measures could be taken. Otherwise, a considerable part of the economy in these parts of the country could not withstand the demands of the reform at the beginning, and we would face increasing social and political dissatisfaction, and pressures to abandon real economic factors. I have said all this so that I may on this occasion again stress our assessment that the disturbances in the economy and the system are very great and such a deep crisis cannot be extinguished with short-term moves, but only with a radical reform, a fundamental restructuring of the Yugoslav economy in a market atmosphere, and opening up toward the world.

In other words, proceeding from the assessments that the causes of the economic crisis are deeply entrenched and that they have been accumulating over a long period, the FEC decided in favor of equally profound steps in the economic system and development policy, which cannot be implemented quickly. This is often overlooked and quick results are demanded, which increases nervousness and tension.

Furthermore, the FEC believes that it is not good that the results of the May measures are discussed one-sidedly, or rather that results are neglected and only the negative effects of the economic policy in 1988 are stressed.

Let me remind you: After a long time, the foreign exchange market has been made to work. Foreign exchange reserves are bigger than ever since the war. We are regularly paying our commitments abroad. Prices of about 70 percent of the goods traded have been liberalized, and about 60 percent of imports, including local border traffic, have been liberalized. Disparities in price relationships are being removed. The economy has slowly begun to react to the demands of the market. Stocks are being reduced. The proportion of working capital is increasing. Losses are being reduced, and so forth.

Some people overlook this and, therefore, speak about the breakdown of the economic policy in 1988. They had the opportunity to say what was wrong with the economic policy that was adopted by the SFRY Assembly and implemented by the FEC, and even to propose some other ideas. Why have they not done so?

Let me say something about the climate in which the FEC has been working. We know what the social and political situation in the country is like and we know its negative impact on implementing the aims of the economic policy, preparing, adopting, and implementing the program of activities of everybody ranging from basic organizations of associated labor to the Federation, as well as on production, exports, and restructuring of the economy.

These programs and tasks are not at the center of attention of socialist forces, and self-managing and political bodies. They deal more with other questions. On the other hand, we are witnessing an escalation of nationalism, chauvinism, and other rightist and anticommunist tendencies. Destructive activity is spreading. Attacks against the LCY policy, the system, and cadres have increased greatly. There are attempts using all means to compromise Tito's fellow-fighters, including prominent cadres who took part in armed revolution and military commanders. In fact, everything is aimed against Tito and revolution in general. All this causes confusion among the people, concern is spread, and readiness for taking up social commitments, for work, and creativity is reduced.

Objectively speaking, the federalization of the LCY has been caused by the distortion of the correct policy of constituting the LC in republics and provinces, something which affects the performance of the FEC's role.

The complete state and parastatal structure has been built up over the period of several decades during which the state had a strong role in the sphere of reproduction too. Statism and bureaucratism are very strong. Huge resources that belong to the economy are being allocated for maintaining the large state and political apparatus, and social and political consequences of the fact that a section of this apparatus is slowing down the implementation of reforms are even greater. We in the federal apparatus have become convinced about this during the procedure of drafting certain laws that were not in conformity with the basic tenets.

The need for an urgent and radical reform of the entire state and parastatal infrastructure is obvious. It is all right that the question of the responsibility of the FEC is broached, because that is in the nature of every democratic society. However, it is not all right that means to do so are not chosen, that the responsibility for all mistakes and poor work in enterprises, communes, cities, republics, and provinces is being transferred on the FEC, that both the FEC and individual people in it are being discredited with all the possible means. This has been increasing more and more recently.

No words of self-criticism are heard on the other side, but poisonous arrows are directed at the FEC. The discussions in the institutions of the system are being penetrated by that type of democracy whose slogan it is: If you do not think and speak like me, I will use all possible means to cause public suspicion concerning your political and human integrity.

It seems that one should think well about the dangers of legalizing a policy and practice of a well-known mustachioed old man.

The further one continues into the reform, into settling various accounts, and into introducing realistic factors, the more disagreements are increased and politicized. Debates about interest rate policy, for instance, are far from being harmless, because through an obvious criticism of the methodology of approach, some people are trying to call into question the policy of the realistic valuation of this production factor. Those people who used to profit as a result of low interest rates for years, demand not only that revalorization is kept free from methodological mistakes but also that it is abandoned, that is, they want to get into the zone of negative interest rates. If the policy of real interest rates is called into question, this could then happen to the (?dinar) rate, and that would threaten the entire concept of building an unified market without which there will be no reform.

I will not speak about the attitudes toward the proposals of the FEC and other federal bodies, which is a topic in itself, but I would like to say that there are reasons to ask the question: Do we face certain dilemmas in implementing the reform regarding the interest-rate policy, limiting expenditure, settling the losses of the National Bank of Yugoslavia, the demands for more to be allocated to the National Banks of the republics and provinces from the National bank of Yugoslavia, and in transferring losses onto the federation which is left only with two sources of income.

True, the programs that we have offered and the concept of the reform have not been attacked, but in some sectors attempts were made to soften them. It has also been said that the programs are good, but the FEC is not able to implement them. The reform is good but this FEC is not able to carry it through. We proposed 19 draft systemic laws to the SFRY Assembly, and yet people say that we have offered an inconsistent economic system.

Another thesis is that the FEC is not able to carry out the anti-inflation policy, but what is forgotten are the causes of inflation, the material, political, and systemic constraints on reducing it, as well as everybody's duty to carry out the anti-inflationary policy. Many people have lost sight of the fact that the law and the decisions and conclusions of the Assembly do not mean much in our country, let alone the decisions of the FEC, if somebody influential, of course, does not like them.

Objectively speaking, the legitimacy of the system's institutions and the legal system of the country can be seriously threatened in this way. It is well-known that the federation determines social relations and makes the systemic laws and measures of the economic policy, but the federal organs do not implement them directly and do not even have control over their execution. The crisis in decisionmaking is obvious and the number of provisional measures has increased. Because of the Constitutional Law's lack of precision, it appears that decisionmaking with the consent of the republics and provinces must also be retained in the job of executing them. In this way the present practice will be continued after the adoption of the constitutional amendments.

Comrade Delegates! There have been and there are faults in the work of the FEC and other federal organs which have adversely affected the performance of the role and duties of the FEC as the executive organ of the SFRY Assembly. These defects are manifested, among other things, in the following: The federal organs have not performed their duties properly and have not coordinated their work. Moreover, some working bodies of the FEC have not performed their duties properly either. All this affected the work of the FEC, which became a bottleneck and therefore some issues were dealt with slowly. This in turn cause a reaction in the economy. The cadre composition of the federal organs is not all that good, and this has adversely affected the quality of the material prepared for the sessions of the FEC and the SFRY Assembly.

Although we were the first to propose to the SFRY Assembly the adoption of certain conclusions, there was no timely response to our warning concerning the weaknesses in the methodology of revaluation, particularly of the reserves and mutual claims, and the level of the real positive rates which were determined by commercial banks in a usury-like way. We concluded that that we should have exercised more direct control over the implementation of the credit-monetary policy in order to prevent certain rises which took place this year, especially in some months. The implementation of some FEC conclusions was late and the FEC had not been informed about it in time and therefore could not have removed the causes of the delay.

We concluded that the public was not adequately informed about the work of the FEC and its views. Because of the fear that there would be no agreement with the creditors, a decision on the liberalization of imports was adopted late. This led to a gap between the liberalization of prices and imports. The liberalization of imports should have preceded the liberalization of prices. Some documents and acts proposed and adopted by the FEC were not professionally prepared and founded on expertise. And therefore they were either returned from the SFRY Assembly or often changed. This is also a consequences of inadequate expertise on the part of the organs of the federal administration.

I will not speak about the long-term causes of inflation, primarily the structural ones, such as the disequilibrium between production and consumption in significant commodity sectors, the system of spending more than earning, and the losses in the banking system and the economy.

I wish to say, however, that inflation in 1988 was affected by some short-term causes in addition to these long-term ones. These were:

The devaluation of the dinar in May of 23.9 percent, following the devaluation in November 1987 of 24.6 percent. One had to take this step in order to stimulate exports;

The liberalization of the prices in May involving 63 percent of the goods traded, followed by another 10 percent of goods. This followed the guideline of the reform, and we are convinced that such policy must be implemented in the future, too;

The great drought that affected the rise of agricultural prices.

Furthermore, because of the shortage of foreign exchange, the possibilities of imports were restricted, especially before the liberalization of prices. There is also the limited supply in the market among other things caused by the reduction of production. I also mention methodological errors in the application of the revaluation of assets and the high real interest rate, as well as the significant correction of prices in the economic infrastructure and communal services.

The shortage of funds for subsidies and compensation in agriculture led to (?increased prices). I think it should be said that we liberally shifted the limit to general, public, and personal spending in the fourth quarter. Limits were also exceeded in the credit and monetary policy, and there was a surplus in trade with some countries, which resulted in the SFRY being owed a total of $3 billion by two countries alone.

I recently spoke about these problems. On this occasion I will not (?mention) other short-term causes of inflation. I wish to say, however, that one frequently loses sight of the long-term and the short-term causes of inflation and the economic policy is easily blamed, and its results are questions.

Indeed we have not broken the inflation. However, it does not follow that the economic policy of the May measures has crashed. This FEC has not even proposed that the inflation be broken, because it knows that our country does not meet the conditions for this.

One often quotes the example of a country which reduced the rate of inflation from 445 percent to 37 percent in 1 year. It must be said that the following eight conditions were met in that country:

First, a general freeze or prices and wages was accepted.

Second, a large fall in real personal incomes was accepted.

Third, public spending was drastically reduced.

Fourth, a large foreign exchange grant was received from abroad without the need to repay it.

Fifth, a significant calculated fall in production and employment was accepted.

Sixth, a large increase in real positive rates of interest occurred.

Seventh, social consensus was achieved on these measures, with the full support of the Trade Unions, and eighth, a national unity government worked on this basis.

Comrade delegates, assess by yourselves which of these conditions are met in our country.

Instead of breaking the inflation, the FEC has proposed and conducting a consistent program that has prepared the field for reform. This was achieved through the creation of conditions for the functioning of all the markets, the liberalization of the prices of goods, money, and foreign exchange.

In any market policy, such a policy must lead to (?a selection in) and revival of production that can be sold in foreign and domestic markets. Such a policy at the same time has introduced a mechanism that until recently ensured what is common sense in every other country, that one can spend only within the limits of the income produced and available, and that monetary policy cannot tolerate any inflation.

Such a policy, if it is followed, must lead to a gradual reduction of inflation. Every objective observer must admit that there was no reason to expect a spectacular anti-inflationary result in the second half of 1988. If at the time of price limitation, it was inevitable to accept a 5.3 percent monthly increase in prices just to eliminate the most unbearable distortions in the relative structure of prices, how large a price increase was inevitable under the conditions when 70 percent of all prices were liberalized?

Without any experience from the preceding 40 years, nobody could make a reliable prediction in this respect. Subsequent wise statements are just being wise after the event.

For these reasons it is clear that a spectacular end of inflation cannot be expected in 1989, either.

The aim is to check and ensure its gradual reduction. This is why linking economic reform to a halt of inflation is not justified because in this way a millstone would be hung on the neck of reform at its very beginning, as if reform itself was not complicated enough. This also refers to the criticism of the economic policy as being responsible for the stagnation in production. Does this mean that we should insist on the revival of production at any price and invest the factors of production in those products that cannot be sold on either the foreign or domestic market? The solutions are known, namely that demand should be raised in an inflationary way, which would facilitate the sale of these products on the domestic market.

I have already said that it is realistic to expect a revival in production next year. This will be facilitated by a significant increase in imports, particularly of the semi-processed production materials, the revival in investment activities by among other things the redirection of funds from the rescheduled debts. Then, one could expect better results in agriculture as well as the further rise in services. Of course, large amounts of exports are the prerequisites for and aim of the increase in production.

In 1989, inflation will not be affected by, or at least it will not be affected to the same degree, by one-time devaluation of the dinar because we do not intend to do this, or by the liberalization of prices because it has already been introduced for some 70 percent of the products. We hope that there will not be another drought. The opportunities for imports will be considerably greater than they were in 1988. Furthermore, we will implement the measure to revive investment activities. By reducing duties and taxes on imports we will increase imports and the supply on the domestic market. This will also lead to a reduction in prices.

We expect to considerably relieve the economy by reducing duties and taxes. The working draft of a paper produced by an interdepartmental group was sent to the SFRY Assembly. In January, the FEC will, on the basis of this paper, examine all the possibilities for relieving the economy and for a simultaneous reduction in export subsidies. We intend to complete this job and adopt decisions in January.

We proposed solutions for resolving the problem of the National Bank's losses arising from the negative foreign exchange differences, foreign currency deposit savings accounts, and the loans converted into dinars. This refers to both the foreign exchange differences and interest as a whole. In this way would would eliminate one of the hotbeds of inflation. We have prepared a document containing the proposals of the interdepartmental group concerning the problem of excessive debts and the lack of a permanent working capital in the economically insufficiently developed republics and Kosovo. The FEC will adopt its stands on this in January.

Mistakes in the methodology of valuation are being corrected. The real interest rates have already been significantly reduced. In this way these cause of inflation will also be eliminated. We expect a slower increase in the price of communal services. True, the FEC cannot influence this. An interdepartmental group has prepared a paper containing additional proposals for stimulating agricultural production. The FEC will also adopt its stands on this in January.

In 1989, the liberalization of prices will continue where it is economically logical and possible, such as in the primary sectors of the economy. We will also continue to remove the price disparities. In 1989, we will abandon the LBO import system. In January we will reduce the present 29 percent of imports through this system by one half. During the year we will completely abandon this system. We intend to liberalize imports, including private citizens' imports. The question of applying joint guidelines in the economic infrastructure remains open. Our experience is negative and we must therefore again work on what to do with this method of setting prices.

We intend to place under the direct price control system certain products, whose price is freely set at present, but have a monopolistic position in the market. However, it causes concern that only the FEC is expected to combat inflation, and that one has not yet succeeded in reaching a consensus and adopting a national program which would be binding for all. Instead of this, it is said that this is the FEC's program. What happened to the other programs? Why are they not being discussed? Without that we will not succeed in checking inflation. What is also worrying is the lack of enthusiasm to keep expenditure under control and the threats of strikes if certain limits to public expenditure and personal consumption are established. The finger is only being pointed at the FEC for high inflation and only the FEC is being asked to resign.

Governments fall on such a question in other countries, too. However, the FEC is not a government. It is an executive organ of the SFRY Assembly and unlike governments in other countries, the FEC shares its powers with many other bodies. For instance, decisions on taxes and contributions are being made at 7,000-8,000 places in Yugoslavia. The Federation has no powers in performing significant economic functions, such as administering the taxation system. Under such conditions, it is difficult to have any influence on economic and market trends, on development, and on overcoming economic crisis.

The FEC has repeatedly insisted that the taxation system should be formulated better in the Constitution, but there was no agreement on that issue.

Comrade delegates, considering all that I have presented here, the FEC assessed that unfavorable conditions have been created for its work. Through numerous articles and commentaries in the media, speeches at sessions held by the institutions of the system, and public statements by individual political officials, the public has been consistently told that the solution to the crisis is in the FEC's resignation. The SFRY Assembly Federal Chamber at its session held on 28 December rejected the

FEC proposal that the law temporarily limiting the spending of the part of the social resources of the sociopolitical communities and self-managing interest communities in social activities in 1989 be included in the agenda to be adopted under an urgent procedure. The actual reason was its disagreement with the proposal to limit this spending.

I said in the debate that we think the same about the need to provide more funds for health, education, employment and re-training of workers, for science, and culture. I repeat this again now. However, this presupposes rationalization in other parts of public spending.

For years it has been said that a revision of both the entitlements to and the institutions in public spending is necessary, but little has been done in this respect. Instead of this, large funds are allocated to the financing of this spending from the income of the economy, and we all have our mouths full of phrases about reducing the burden on the economy and strengthening its material basis.

Furthermore, we also warned against possible negative consequences of such a decision for our relations with our creditors with whom we concluded an agreement in May, and the SFRY Assembly accepted it.

In this connection, I wish to state that Yugoslavia has always adhered to its international commitments and that it will undoubtedly do this in the future, too.

Considering that this is an important question regarding the implementation of the economic policy adopted in May, and that the differences are essential in nature, the FEC at its session on 28 December unanimously decided to submit its collective resignation on the basis of Article 259, Section 2 of the SFRY Constitution.

The subsequent inclusion of this question on the agenda could not influence our decision because it could be interpreted as pressure on the delegates by the FEC through the involvement of the leaderships in the federation, the republics, and provinces. This could burden the relations between the SFRY Assembly delegates and the FEC and could represent a constraint on successful work.

Therefore, we decided to keep to our decision to submit our collective resignation. This is more honorable than to stay and to be constantly talked about and to have fingers pointed at the FEC as the culprit for all the misfortunes in this countries. It is well known that success in eliminating these misfortunes does not depend on the FEC alone.

The FEC appears to be guilty because it finally opened the lid on the faults in systemic solutions and the development policy in the past decades, and it is reproached for not eliminating them in 2 and ½ years. Comrade delegates, I want to ensure you that the FEC will continu all activities until the new FEC is elected.

I would ask you to receive and accept our resignation also as a gesture by which we want to contribute to a quicker confrontation with the truth about our general economic, social, and political situation and with the truth about relations within our federal community and the role of the federal state.

At the sessions held in the past 3 days, we adopted very important laws pertaining to the system and thereby created conditions for opening the process of realizing the reform. Other laws pertaining to the system will be adopted in January and in months to follow. We have turned a new page in the development of the Yugoslav economy in market conditions, an economy opened to the world. We are convinced that we are entering a period of a stronger development of socialist self-management and conducting economic operations more efficiently. One should have no doubts that we shall follow the course of reform with this FEC and any future FEC with the same persistency and consistency.

Thank you very much.

TANJUG Explains Government Resignation

LD3012143488 Belgrade TANJUG in English 1120 GMT 30 Dec 88

["Pool" item]

[Text] Belgrade, Dec 30 (TANJUG)—Prime Minister Branko Mikulic (60) and his entire government have submitted their resignation, TANJUG learned today.

This is the first case of government resignation in the post-war history of the country.

Mikulic will explain the resignation at a joint session of the Federal Chamber and the Chamber of Republics and Provinces here today, it was announced.

If the resignation is accepted by the Federal Assembly, the government will remain in the present composition until a new one is elected.

The new prime minister is proposed by the State Presidency and is elected by the Federal Assembly. The government members are again elected by the Federal Assembly at the proposal of the prime minister (mandatory).

When the Mikulic cabinet, the country's eighth since the war, took over on May 16, 1986, it inherited inflation running at 84 per cent.

This was the new government's biggest trouble and Mikulic warned in a speech outlining his programme that high inflation represented a serious threat to the internal and external security of the country. He said his Cabinet was sure it could deal with the situation but now, just as it has gone half way through its term, inflation is nearly 250 per cent.

Mikulic's 31-member cabinet was studded with titles—it had 11 holders of a doctor's degree, including one academician, and three holders of a master's degree.

One of the doctors, the economist Oskar Kovac, resigned on December 5, saying he was personally convinced that some of the government's stands could pave the way for abandoning the policy of real interest rates.

No previous government was criticised to such a degree, more or less with good reason, but sometimes also unfairly. But again, no other government had to battle against such heavy odds.

The Mikulic cabinet has been criticised mostly over rampant inflation, and it is this issue that has clouded some of its indisputably worthy results. These include an increase in exports and foreign exchange reserves (amounting to 3.3 billion dollars) and a balance-of-payments and trade surplus.

In May, for the first time since the war, the government faced a no-confidence vote in the Federal Assembly over criticism that its anti-inflationary measures were ineffective and even contradictory. But the government, midway through its term, survived this test.

Earlier this month, the Croatian trade union leadership proposed that another no-confidence vote be held but the government forestalled this by resigning.

The resignation of Mikulic's government followed the rejection of its proposed budget for 1989 in two republics, Slovenia and Croatia, and criticism of its economic poilicy program for next year in most republican assemblies.

The government is resigning at a moment when the economic reform, the work of a special government commission made up of over 130 experts from throughout Yugoslavia, is to start.

The basic commitments of the reform—market economy, inedpendence and diversity of firms and property, and opening towards the world—are not disputed by practically anyone but the incomplete and compromise solutions in the proposed laws are being criticized.

The fact that the proposed economic policy for next year is mostly founded on the government's measures of May has provoked particular dissatisfaction.

The Measures failed to curb inflation, provoked discontent among businessmen and led to workers' strikes over wage restrictions and the failure to relieve the economy of its burden.

SFRY Presidency on Election of New FEC

AU3012151288 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 30 Dec 88

[Text] The SFRY Presidency has held a session at which it was briefed by FEC President Branko Mikulic on the FEC decision to submit its collective resignation to the SFRY Assembly. The SFRY Presidency expressed its conviction that the FEC and all its members will remain at their duties in accordance with their obligation envisaged by Article 359, Paragraph 4 of the SFRY Constitution and therefore will consistently and completely perform their duties until a new FEC is elected.

On the basis of its constitutional right and obligation to propose a candidate for FEC president, the SFRY Presidency conducted a preliminary debate on initiating the initial procedure of proposing a candidate, a procedure which will be carried out along with the SAWPY Federal Conference.

The SFRY Presidency believes that during the activities of all organs pertaining to nominating and electing a new FEC one should ensure a continuity of effort in preparing the economic reform and implementing it consistently, as well as in implementing economic policy in conformity with the economic reform.

The basic criterion for the election of candidates to the post of president and the entire FEC will be their consistent orientation toward economic reform, the SFRY Presidency pointed out.

Serbian Assembly Calls for FEC Resignation

AU3012105488 Belgrade POLITIKA in Serbo-Croatian 29 Dec 88 p 8

[I. Anojcic, B. Cpajak, and Z. Radisavljevic report: "Further Investments Into the Smederevo Steel Works"]

[Excerpts] On the second day of the session of all three chambers of the Serbian Assembly the delegates discussed and adopted amendments to the Business Rescue and Consolidation Program of the Smederevo Steel Works until the end of this decade, that is to say 1995 [as published]. It was decided that further investments should be made despite the lack of money because it is believed that the Steel Works will recover.

A report on work stoppages was also adopted. During the discussion it was stated that the first step in resolving this problem should not be taken by the SFRY Assembly, but by the work organizations. It was also concluded that the main cause for the workers' strikes is the present situation and the workers' anxiety over the future. The delegates also discussed the ways of how to relieve the economy. It was not disputed that the burden is great, but it was said that there are too few work organizations with good business results and that it is them that bear the burden of those organizations with bad business results. [passage omitted]

About the Accountability of the Federal and Republican Governments

At the session of the Serbian Assembly the question of confidence in those responsible for the grave social-economic situation in the Republic was also broached. Several delegates spoke about the need to reconstruct the republican and Federal Governments. The delegates of the Chamber of Municipalities called for the resignation of the FEC because of the existing situation in the country. The delegates were of the opinion that the current FEC's program does not offer any prospects but only further divisions and disintegration.

It was also stated that in January the delegates expect an analysis on the work of the Federal Government on the basis of the 19th LCY Central Committee session and that this question should therefore not be discussed at present.

As far as the Republican Executive Council is concerned, the delegates also demanded a report on its work with a special emphasis on the results which are of vital interest for society because, if the Republican Executive Council is not capable of, that is to say if there are no people who could work on the problem of relieving the economy and particularly the problems of rationalizations and reducing social costs, then it must be reconstructed. [passage omitted]

Mikulic New Year Interview on Current Issues

LD2612153688 Belgrade TANJUG Domestic Service in Serbo-Croatian 1057 GMT 26 Dec 88

[Text] Belgrade, 26 Dec (TANJUG)—Economic reform entails many new features, mainly those relative to the reaffirmation of commodity production and all those categories which are particular to it and which, moreover, are inherent in socialism too. The changes are major and will contribute to a gradual elimination of the unfavorable trends in the economy, stressed FEC President Branko Mikulic, in his extensive interview for the new year issue of MLADOST.

However, additional changes are required in certain areas and the taxation and contribution system, where the least headway has been made, is one such area. During the coming constitutional changes we must also reach agreement on the distribution of economic functions among the sociopolitical communities and regulate these issues in an appropriate manner, without jeopardizing the constitutional position of any of them, remarked Mikulic.

Dwelling on the possible effects of the economic reform, the FEC President remarked that it would be an illusion to expect some spectacular results to be achieved soon at the very beginning of the implementation of the reform. What is realistic to expect is that we shall gradually start bringing the rate of inflation down, gradually overcome the negative rate of economic growth, and arrest a further fall in the standard of living. This recovery process, of course, will be a very difficult one.

Many serious problems must be overcome to make it possible for the reform to be successful. Among these the biggest are the backward and obsolescent economic structure which is the result of nonmarket, voluntarist, and statist decision-making about investments, and big losses and bogus accounts in the financial system and in the economy which in terms of their size considerably exceed our country's foreign debt.

This refers also to the over-emphasized social infrastructure (self-management interest communities, the state), big overheads in the economy and the habit acquired over decades to spend more than the available material possibilities and earned revenue, dogmatic persistence and efforts at any price to preserve the material and status positions acquired without reference to work, or to gain new such positions. Strong disintegration processes in our society and disunity among the leadership, aggravated intranational relations, and conflicts in our society, extensive social stratification and accumulated social tensions, poor functioning of the legal system, absence of willingness and resposibility for the implementation of jointly established and agreed policy are also included among these problems.

Referring to the "May measures" which are an integral part of all the measurers the FEC is taking to implement the economic reform and economic stabilization in the country, Branko Mikulic stressed that their effects could not be assessed only from the aspect of the high rate of inflation and social tension in our society. It is forgotten, he added, that among other things we have carried out a rescheduling of our foreign debt and have virtually overcome the problem of the country's foreign liquidity, that the foreign currency market, after many years, is working very well, that our export rates are very satisfactory, and that imports are going up so that we can accelerate production and take the steam out of demand (inflation) in the country.

Our trade balance is more than ever before, our balance of payments is showing a big surplus, and, for our circumstances, we have attained a truly high level of foreign currency reserves. The burden on the economy has been eased considerably, and there also are indications that efficiency is going up, that significant factors of business management are gaining strength, and that—relatively speaking—losses, the number of organizations operating at a loss and the number of workers employed in them, are going down. The efforts to make good our enormous internal debts and bogus accounts and also the effects of the financial consolidation of a section of the economy in Montenegro, Macedonia, and Kosovo (the problem has not been overcome, but it has been eased) are forgotten as well.

Speaking of inflation, the FEC president gave an indication of the three short-term causes of the price increases since May this year. They are the devaluation of the dinar which has been carried out (as a condition for the functioning of the foreign currency market, among other things), price liberalization, which provided an opportunity for the prices to be coordinated on the market demand and supply basis, and the catastrophic drought this year which impacted on the reduction of overall agricultural production and the production of branches of industry based on that and on the rise of the prices of these products. It is realistic to assume, Mikulic believes, that these three short-term but very powerful inflation generators will not operate next year.

In response to a question from the MLADOST editor in connection with criticism and pressure on the FEC to resign, Mikulic replied that a distinction should be drawn between at least two types of criticism directed at the FEC and himself personally. One is that which in principle opens up essential questions for the Yugoslav economy and contributes to the work of the FEC, and the other kind is that which, from its own ideological or particular shell, out of economic or political egotism or blindness, give lectures or ultimatums to all those who think differently.

Illustrating this second type of criticism the FEC president stressed that recently there have been various stories at the expense of the FEC's program and policy. For example, it is said that the May program and in general the reforming course of the FEC is good, but that the FEC is bad! How are we to understand this, asked Mikulic? There are also attempts to link the reform with inflation. It is said, for example that if inflation is not cut, the reform will come to nothing! But it is by means of the reform that we will increase the efficiency of the Yugoslav economy, increase production and exports, open up our economy to the world, and so on. These, among other things, will through greater force of circumstances act to stabilize the situation in our own market also, and so to reduce inflation, Mikulic stressed.

The FEC is also blamed for all the problems and negative phenomena in society, both in the past and the present, and for that which it cannot bear responsibility because it is the executive organ of the SFRY Assembly, and not a government in the classic sense of the word. In connection with some criticisms of the FEC's work and the Commission for the Reform of the Economic System, it could be said that it is a question of a special kind of wrecking, of resistance to the implementation of reform. The FEC is not prepared to retreat on this issue. Because if we do not start implementing reform now, then we will enter into an indeterminate period of stagnation and political and economic instability, Mikulic warned.

In the lengthy interview the FEC president stressed that we must finally reject the concept of so-called national economies. Because the socialist self-managing integration of Yugoslav society should be built on an economy which is in our interest, on, for example, a basis where not a single republic or province, region, municipality, or organization of associated labor protects, on its "own" territory, low productivity or backwardness among its "own" work collectives, its "own" economic and other leaderships and cadres, and so on. This means that everyone should protect themselves by means of modern production, production capacities, competitiveness in the world market, the creation of new wealth and income. We must ensure the unhindered flow of capital, of the work force and of ideas, throughout all of Yugoslavia's territory. Only in this way will we create the preconditions for effective inclusion in European and world economic and technological processes, Mikulic said.

The processes now set in motion with the reforms will, in Mikulic's opinion, clarify the ideological and political situation in society, that is, they will strengthen the progressive socialist front. In this respect we must as soon as possible achieve unity on what we are to preserve from the fund of our positive experiences, and what to reject, and on what we are to take from the sum of our historical experience and surroundings.

In the existing "ideological nightmare", which is caused by the crisis, but which is also contributed to by forces that wish to create a situation which is as bad as possible, a clear dividing line cannot be seen between the progressive and the retrogressive, the reforming and the antireforming, the honest and the dishonest, and so on, said the FEC president. The further worsening of intranational relations in Yugoslavia, activity by nationalist and separatist forces in Kosovo, the breakthrough of nationalist tendencies in more or less all parts of the country, and attempts to legalize, under the guise of the "democratization" of society, the right of anticommunist forces to threaten the achievements of the revolution—all of these are a direct attack on the reforms.

Troublemakers and counterfeiters are in action, mischiefmakers and liars, national chauvinists of various hues, who know that they have no chance of achieving their aims in a normal social situation. The worst aspect of this is that the truth about all this has difficulty in penetrating through to the public domain and so it is impossible to distinguish the good from the bad, justice from injustice, fighters for reform and democracy from various self-proclaimed fighters for democratization, who continually speak about Yugoslavia and democracy but whose every move tells of a limited awareness, self-will, vanity and despotic behavior.

In his MLADOST interview the FEC president stressed especially that in our public and political life we must give more prominence to the struggle for the country's unity, the consolidation of Federal Yugoslavia as the country of us all, as a framework in which the working people and citizens, nations and nationalities of Yugoslavia have the guarantee for the implementation of their socialist, national, and other interests, and of their freedom and independence.

In this sense we must reflect more on implementation of the functions of the federation, that it should operate as a real state in the area of defense, foreign policy, protection of the constitutional system, in the implementation of the economic system and of the economic policy, and in ensuring the unity of the Yugoslav market. Of course, what we are talking about is the consolidation and further democratization of our federation, in the way it was establisheed by Tito, stressed FEC President Branko Mikulic in his MLADOST interview.

Delegates Question FEC, Presidency, Culafic

AU2812175788 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 28 Dec 88

[Olivija Rusovac report on the discussion in the Federal Chamber of the SFRY Assembly "on the security and political situation in Kosovo and the activities of state organs," following the opening speech by FEC President Branko Mikulic]

[Text] Ilijaz Kurtesi's proposal that the discussion of the activities of the state organs and the current security situation in Kosovo should be postponed and joined to the examination of the implementation of the Yugoslav program for Kosovo was not adopted. Here are some points in the discussion so far:

Aleksandar Jovanovic: Why does one avoid saying who directed the November demonstrations? The Presidency of the state, the Presidium of the party, the Assembly, and the FEC must be more active in destroying the counterrevolution.

Ljubisa Savic: Branko Mikulic's anemic speech is an expression of irresoluteness in the struggle against separatists. Savic asked that the Chamber should take a stand on Mikulic's report and he requested that the state Presidency and the FEC be directly called to account. The Federal Secretariat for Internal Affairs must announce the names of the leaders of the counterrevolution within 3 months, Savic insisted.

Milomir Vukadinovic considered that the Assembly must raise the question of responsibility of the SFRY Presidency.

Zarija Martinovic proposed several conclusions, including the following:

[Begin Martinovic recording] This assembly must energetically demand that the SFRY Presidency—for it is fully informed—should ensure and set up the functioning of all the organs of power and should ensure physical, personal, and property security of the Serbs and Montenegrins in Kosovo. If it is unable to do so, it must go by the logic of things. [end recording]

Delegate questions were asked. On behalf of the Kosovo veterans in Belgrade, Bogdan Sunderic asked the federal secretary for internal affairs how he explains that no separatist from the circle of the ideological leaders of the counterrevolution in Kosovo has been criminally prosecuted during the 4 years of his term of office. What has happened with the criminal charges filed against Fadilj Hodza, since one has not heard about it for 18 months? Sunderic asked whether it was correct to say that criminal charges have been filed against Dobroslav Culafic's brother who is a high official in the Federal Secretariat for Internal Affairs, but that nothing has been done because of Dobroslav Culafic's open intervention.

Husein Hodzic asked that the foreign exchange dealings by Crvena Zvezda, Dinamo, Hajduk, and other soccer clubs be investigated. He also asked: Does the President of the Assembly intend to initiate proceedings for the dismissal of the federal secretary for finances and the governor of the National Bank of Yugoslavia because they are morally responsible for properly protecting the dinar?

An extensive reply by the Federal Secretariat for Foreign Affairs on the biography of late ambassador Redzai Suroi [who died in a car crash in Spain on 22 December] shows that Suroi and his family have an honorable Partisan past, that Redzai Suroi as a boy of 15 was put into a German uniform by force and taken to Albania, but he returned soon and joined the movement. Immediately before his death, the ambassador officially denied that he served with the Prinz Eugen Division and that he was involved in smuggling money from Spain.

TU Presidium To Discuss Confidence in FEC

AU2912124988 Belgrade BORBA in Serbo-Croatian 28 Dec 88 p 1

[B. G. report: "Confidence in the FEC To Be Discussed"]

[Text] Belgrade, 27 Dec—The Council of the Trade Unions of Croatia has taken the initiative of broaching the question of confidence in the FEC. This initiative has been passed on to the Presidium of the Trade Union Federation of Yugoslavia for discussion, something that the Presidium will do at its session tomorrow.

The main topic that the Presidium of the Trade Union Federation of Yugoslavia will discuss at its session tomorrow will be the performance in its tasks pertaining to the implementation of stances on developing self-management, brotherhood and unity, and togetherness in Kosovo. As Andjelko Vasic said today, at the session tomorrow there will be a careful analysis of what the trade union organizations have done in the last 2 months, that is, during the time when the situation in

Kosovo was further aggravated. It was also said that the economic situation in Kosovo has also been becoming aggravated and that, if no appropriate actions are taken, the political situation may also become more complicated. It was therefore assessed that the introduction of market conditions in conducting business operations may result in about 3,000-3,500 Trepca workers being left without jobs. All this means that the trade unions must considerably intensify their activity to stabilize the situation in Kosovo.

Korosec on LCY, Government, Economic Reform

LD2812192888 Belgrade TANJUG in English
1754 GMT 28 Dec 88

[Text] Belgrade, Dec 28 (TANJUG)—Expectations that the Central Committee of the League of Communists of Yugoslavia should decide on the confidence to the federal government are unrealistic, secretary of the Yugoslav party Presidency Stefan Korosec said today.

Talking to representatives of the Yugoslav information media Korosec specified that in Yugoslavia the question of confidence, including the confidence to the government, can be settled only within the framework of the political system. In the case of the federal government, Korosec explained, this is done by voting in the federal parliament.

Devoting a large part of his talk to the economic reform in Yugoslavia, Korosec stressed the need that Yugoslavia establish even closer ties with the world, the European Community in particular.

"We have got to realise that we need the world, that we cannot become an isolated island," Korosec said.

Korosec specified that Yugoslavia must invest efforts towards fulfilling the E.C. economic conditions, but without placing in quesation the principles of its independent, autonomous and non-aligned foreign policy.

As a precondition for the successful implementation of the economic reform Korosec cited the calming of all "unpleasant trends in the political situation" in the country.

Korosec informed journalists that the transformation of the party and the ideological-political basis for the draw up of the new federal constitution will be the subjects of the next, 14th congress of the Yugoslav Communists.

Korosec said that special commission will prepare a draft platform for the transformation of the Yugoslav party in the first months of 1989.

In this he noted that, if the League of Communists is to be the leading ideological and social force, new terms, such as legal state, political pluralism, civil society, civic rights and freedoms, will have to be added to the party vocabulary.

Speaking of the other principal congress subject, Korosec stressed that Yugoslavia's goal is a more concise, better understandable and more up-to-date constitution, which will express more adequately the needs of the current stage in the Yugoslav self-management socialist development.

LCY's Racan Examines LC Transformation

AU2912104088 Belgrade BORBA in Serbo-Croatian
19 Dec 88 p 5

[First Installment of an article written by Ivica Racan, member of the LCY Central Committee Presidium: "Need to Redefine Our Approach to Socialism"]

[Text] The reform of the party, that is to say the renewal of the LC, is the key question concerning the entire social reform. A critical discussion has been started on this topic in order to determine the basic direction of the steps that would affect the current LC social role and position. Ideological clashes over this are yet to take place in the LC and judging by everything they could be very fierce.

However, different views on the reform of the LC are already appearing although they are still not fully developed in their concept. One view focuses on a democratic transformation of the LC, the restructuring of the LC into a vanguard of the democratic renewal of socialism. This view insists on the congruence of the democratization of both the economic and political spheres of society. Within this view there are many different opinions ranging from, for instance, profiling the LC as a subject of non-party political democratization and political pluralism, to profiling the LC as a subject of a multi-party system. The formulation and profiling of this view is still in its initial stage and its exponents lie predominantly in the sphere of the social superstructure, in the parts of the political and scientific-cultural structure.

The second view is about the retrograde renewal [retrogradua obnova] of the LC, the transformation of the LC into a monolith type of a party with the leading position in society. The publicly expressed dissatisfaction in the broad social structure of society, a sharp criticism of the LC, and the essence of the demands addressed to the LCY and its leadership characterize this view regardless of how much it was aroused by strong and offensive elements. In its extreme forms it demands a party of the one-party system which would have the kind of statemaking, commanding position which our party did not even have during the so-called period of revolutionary enthusiasm.

The third view advocates silence concerning the reform of the LC, silence which expresses the "withering away" of the LC in action. This refers to a process of reducing the party to its leadership and the leadership to the relationship between responsibilities and expressing the interests of "its" people and "its" social community.

[sentence as published] This refers to the absorption of the LC into the "homogenized people" and its vanguard role into other "new" vanguard roles.

The fourth view concerns calls for the withdrawal and retreat of the LC from the social and political scene and the emergence of others along with their programs. These views are very often of an anti-communist character and instead of calling for the reform of the LC they call for its abolition.

Step Into Democratization

The reform of the LC, the "transformation" of its social role, —in addition to a change in its internal relations and "inter-party life," and its attitudes toward the existing and new socialist forces and exponents—demands the critical reexamination and redefinition of the LC's views and approach to socialism.

The ongoing social crisis and open questions of social reform and the renewal of socialism represent not only a certain new historic situation, but also challenges which should be answered in a creative manner. This is not only a matter of overcoming the social crisis, but also of, in essence, the reexamination of the meaning and prospects of socialism itself. Of course, it is important what these answers will be, whether they are against socialism, democracy, and progress. The answers which dogmatically, stubbornly, and unimaginatively insist on dead formulas and obsolete solutions, answers which do not solve problems and controversies in their own system and practice are to the detriment of socialism and its future.

Our present approach to understanding socialism must also be exposed to a critical reexamination. The approach according to which socialism is what the revolutionary exponents, that is to say vanguard, consider as socialism, must also be critically examined. Stepping into the democratization of society must, above all, be shown in a different approach, in determining what socialism is and what it should be. Socialism cannot have a single meaning, a formula and a plan for building society prepared in advance. The question is how should one arrive at such a plan. If for instance the social position and the monopolistic political role of the LC in society change, then we also need democratization in formulating the meaning and concept of socialism which we want to build. If socialism is a matter for the people who live in it, then they should formulate it, while the LC must fight for "its" vision, but not in isolation from the people or on their "behalf."

Does an obvious weakness not only lie in the fact that projects of economic and political relations and of institutions of the socialist system were, as a rule, built from the ideas of the socialist theory and ideology, but also in the fact that the ideas which characterize socialism were formulated more in a negative than a positive sense? We are talking about the need to create a positive program of what we want, what kind of socialism we want. For the formulation of this kind of socialism we need the agreement, consensus of all forces and exponents of socialism.

Exhausted Historic Potentials

One cannot and must not run away from the fact that certain solutions and answers to important open questions and problems concerning social development that have not been confirmed by the practice—some of them are indeed serious—have affected the very essence and the historic legitimacy of socialism and the entire social development so far. After all, the evident crisis of the statist concept and practice of socialist development has put a question mark over the essence of this kind of socialism. It was created on the backward and undeveloped social foundations with the main task of an accelerated industrialization, a more just distribution of wealth and social security, and has exhausted its historic potentials and cannot ensure further development. However, when in addition to this there is also a lack of articulation of other concepts of socialism more appropriate to a more developed social basis, a new historic situation and open problems, then the development and essence of socialism is also threatened. This danger has been brought to light by more or less all socialist crises, including ours.

The analysis of our socialist situation, just like the premises of the LCY Program, points out that socialism is also experiencing crises because social-economic relations and even social values that grew out of this basis, were largely formed by decrees, and in an administrative and voluntarist way. This has degraded and pushed aside economic efficiency and economic market criteria and man as the basic factor of production and his creative initiative. This program also stresses that socialism cannot be created for the sake of some abstract aims, but for living man, that socialism must be close to him, and not only attractive for what it offers, for its material privileges. It also stresses that socialism cannot subordinate the personal happiness of man to some "higher aims," because socialism's ultimate aim is the personal happiness of man. Socialism as a project and practice must more than ever before be built from the "bottom up" by rehabilitating common human elements, the energy and creative initiatives of the people which have been supressed so far.

The present situation has revealed that we have not created useful systemic solutions, which should proceed from real conflicts and conflict relations, solutions that would enable them to freely express and resolve themselves through the "legal system" and its institutions. To what extent this fear is dogmatic and absurd is particularly shown today by the relations between the existing, dominant statist-bureaucratic conflicts, and conflicts which mediate between statist-bureaucratic monoliths. [sentence as published]

Is the potential of the statist-bureaucratic concept and practice exhausted? It would be dangerous to fool ourselves with an affirmative answer. This is backed by at least three arguments. First, this alternative gets its strength from various things in our economic and political reality. Second, the process of drawing up, accepting, and realizing a concept of a socialist democratic alternative of overcoming the crisis is late. And third, there is a certain emptiness in "historic memory"; this alternative has never "lavishly" presented itself in our country, it has never presented itself in its radical and extreme forms and content. One could claim that at least one part of the process of democratization and self-management was turned toward alleviating, camouflaging, and testing its methods and contents, its voluntarist-authoritarian characteristics. So, on the one side the statist-bureaucratic concept and practice were oppressed and hidden while on the other side many things that played a part in this were compromised. This primarily refers to self-management as an opposing concept and alternative.

Moreover, self-management and self-managing democracy need the concepts and practices of reconstruction and renewal; they need to be more realistically based and to assume more life-like dimensions, because so far self-management has not been given the opportunity to fulfill its potential for emancipation. It has been oppressed and restricted by both the economic monopoly of the state and the statist economy, and by the LC monopoly of political power. Its "life" has been regulated by laws, regulations, and current statist policy rather than by the logic of developing commodity production, production forces, different developing social needs, and social awareness. Perhaps there may be different answers to the question of the place of self-management and the reassessment of our understanding of socialism. It is important that we are talking about this today when the problem of self-management is less and less at the center and more and more on the margins of our social, political, and theoretical life. Does this not lead to the creation of an "ideological screen" to cover the easier abandonment of this idea and to hide responsibility for the failure to develop a broad self-managing, emancipating movement alongside possibilities of consolidating of political democracy and political pluralism within it.?

All these and other questions are brought to the surface by social reform and the difficulties over how it is to be conceived and agreed upon. This is why one must be aware of the real existence of factors and circumstances that demand and will demand a retreat from the reform which offers a democratic and progressive alternative, and that favor the "retrograde renewal" of socialism.

Clash of Two Concepts

Today, seen in simple terms, we face a clash of two concepts of further socialist development. The first concept has its stronghold in the real and open economy, the economic laws of the market, the development of self-managing structure, the demonopolization of the LC and the democratization of society. The second concept is based on state direction of the economy, a bureaucratic-political monopoly, informal decisionmaking, and voluntarism. The outcome of this clash will not only depend on the "balance of power," but also on the creative abilities of the exponents of progressive changes to found their concept on a realistic analysis of real possibilities, to put their concept into operation and affirm it through concrete solutions. A lack of successful results from this clash will threaten the very essence and the historic possibilities of socialism.